

Bridge

Official Publication
Credit Union National Association



See Page 15

MARCH 1946

Credit union news, plus suggestions and ideas to help credit union growth

82 Highest Score

THE HIGHEST SCORE turned in on the credit union rating sheet published in the January BRIDGE was 82. Anything above 70 is considered excellent; above 50, good.

(We recommend a review of the rating sheet, starting on page 8 of the January issue, for all credit union directors who want a convenient check list to use in guiding the destinies of their credit unions.)

Following are the reports received:
Burlington Employees Credit Union,
Kansas City, Missouri—82.

Como Shops Credit Union, St. Paul,
Minnesota—78.

D. P. & L. Employees Federal Credit
Union, Dayton, Ohio—68.

Garton Toy Credit Union, Sheboygan,
Wisconsin—68.

St. Louis Telephone Employees
Credit Union, St. Louis Missouri 68.

Lewiston Municipal Federal Credit
Union, Lewiston, Maine—66.

Big Lakes Employees Federal Credit
Union, Klamath Falls, Oregon—44.

G. E. X-Ray Employees Credit
Union, Chicago, Illinois—44.

Carpathia Credit Union Society,
Winnipeg, Manitoba—42.

Portland Postal Employees Credit
Union, Portland, Oregon—42.

I. L. G. W. U. Credit Union, Van-
dalia, Missouri—38.

Strike Demonstrates

Value of Credit Unions

THIS HEARTWARMING story is reprinted from THE WAGE EARNER, published on behalf of the Association of Catholic Trade Unionists.

It took a nation-wide General Motors strike to teach GM workers in Michigan that they have a bank at their elbow, but reports from the credit union front this week show the lesson is being well learned.

Ready cash at low interest rate and a minimum of rigmarole is making credit unions highly popular with the strikers.

So well set up are the credit unions that when the Oldsmakers' Federal Credit Union at the Lansing GM plant went out to borrow \$43,000 last week they quickly got \$23,000 from two other credit unions and \$20,000 from a bank at 1 1/4 percent interest.

The Oldsmakers, established in 1940, has 2,000 of the 8,000 workers in the plant as members and already has \$85,000 in assets.

GM Truck and Coach

The GM Truck and Coach Federal Credit Union, at Pontiac, with a somewhat lengthier history, has assets nearing the quarter-million-dollar mark.

Albert W. Marble, managing director of the Michigan Credit Union League, predicted a rapid growth of the credit unions during the present strike.

Said he: "The credit union idea develops slowly, ordinarily. But a financial pinch gives it impetus. Many workers who did not see the need for belonging before are coming in now. They see that it is easier for them to get credit, that the interest is lower, and that they are dealing with people they know."

Other Groups

The GM credit unions, he said, are doing their share in holding off hardship from the strikers' families. Besides the two already mentioned, he listed the following GM credit unions in Michigan: The Pontiac Motors Federal Credit Union in Pontiac; The DuPont Flint Employees Federal Credit Union; and the Detroit Chevrolet Gear and Axle Federal Credit Union.

Credit unions, Marble explained, hold elections once a year to choose a board of directors, a credit committee, and a supervisory committee.

One \$5 share makes a member eligible for a loan. Sometimes, on a \$5 share he can borrow up to \$1,000. He bargains to pay back so much a month and agrees to pay one percent per month on the unpaid balance. This comes out to be about the same as the bank rate and much less than the usual small-loan company's rates.

Few Bad Loans

An annual dividend on all shares is declared. During the war this dividend was deliberately kept low so as not to put the credit unions in competition with the government Victory Bonds.

Co-signers, chattel mortgages and other typical means of establishing credit are employed by the credit unions. The percentage of bad loans is surprisingly low, but was higher than usual during the war in the industrial plants, where there were many transient workers.

Credit unions are required by law to put 20 percent (or a similar amount) of their annual earnings into a reserve fund. Shareholders may get loans for "any provident purpose."

Recipe

A FIRM of good-will analysts once stated: "In the past 67 years we have studied and analyzed hundreds of great businesses and in every case the reason for their success has been found in: (1) A good product offering special advantages over ordinary products; (2) Good management; and (3) Good faith in their dealings with the public."

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HOWARD C. CUSTER, Editor
RICHARD GILES, Assoc. Ed. On Military Leave
CHAS. G. HYLAND, Business Manager

SUBSCRIPTIONS—\$1 A YEAR

THIS Month:



To Expand Services.....	4
What About It?.....	8
Eliminating the Mystery.....	12
Idea Exchange.....	16
Our Readers Write.....	22

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In Armed Service

BRIDGE

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BRIDGE

Don't ever do it this way



by Henry L. Peterson

EVERY ONE interested in credit unions and the credit union movement is interested in good supervision and good audits of credit unions. Any good treasurer appreciates the help he gets from a conscientious and capable supervisory committee. Quite too often, however, the supervisory committee is made up of people who don't even know how to make an audit. If in addition to this the treasurer is not an experienced accountant the credit union can get itself into difficulty.

If the credit union is then closely affiliated with the rest of the movement it is fortunate indeed. Someone in the chapter, or the league, can always be found who can, and will, help out. But if the credit union is one of the few that have had the mistaken idea that they can't afford to pay league dues and that they need no contact with the rest of the movement, trouble easily results. It can even happen to a credit union that is a member of the league but whose officers are new and have not been attending meetings and do not know about the services and help that is available in our chapters and leagues.

For Example

Such was the case of a Kansas City, Kansas, credit union. This little credit union, that in its two years of operation had made many helpful loans to its members and that was doing a good job of encouraging thrift in the group, had had the unfortunate experience of having changed treasurers several times in the course of a few months. Each one managed to leave the records in a little worse shape than they were when he took over.

Finally an examiner came along to make the regular annual examination. The books were not in balance and were not posted to date and so the officials were informed that this had to be done so an examination could be made. The president and the treasurer, not having attended meetings and not knowing about the chapter activities and the many fine people who are active in chapter work here,

went to an auditing firm to hire help for the job they needed done, which was, obviously, to get the books in balance so the examiner would accept them.

A. C. Countem Contacted

Unfortunately for this credit union, the firm they contacted was one A. C. Countem, Accountants (to use a fictitious name). I say *unfortunately*, and when I explain what happened you will see why. The credit union had something like 200 accounts. As usual, many of them were inactive to members. Its assets stood at around \$6,000, most of which was loaned to members. The Undivided Profits account was slightly more than \$200 and so was the Reserve account. The credit union had been in operation about two years, and an examination report was on file for the previous year.

In my credit union experience during the last ten years I have met a good many treasurers who would gladly have helped in a similar case. I have seen a good many since who agree with me that a couple of days would have been a good long time to spend getting these records in shape for the examiner, which was all that was required.

Now we still don't know if these accountants were typical accountants, so we are withholding judgment regarding the profession as a whole, but we do know that A. C. Countem certainly took this credit union for a ride. And what a ride. They got the officers of the credit union to sign a contract calling for a complete audit of the credit union, from beginning. To be paid for at the rate of \$25 per day and then one man spent 52 days making the audit and charged the credit union \$1,300 for it.

What we are wondering about is: Is it possible that the accountant was so ignorant that he couldn't realize that what this group needed was two or three days' work to get the records in shape for the examiner? Is it possible that he was just practicing and used the credit union's money so he could be *earning while he was learning*? He certainly couldn't have been

dishonest, could he? Do you suppose that sharp and shady practices might have been used? Surely not. And yet, if ignorance played a part here it is astounding to find the audit finished just before the bill became so big that the bank account would not cover the check. Maybe the guy was just that lucky.

Remember Our Motto

An employee of Mr. Countem made the audit and the credit union paid the \$1,300. When we later visited Mr. Countem and called the entire situation to his attention, with the suggestion that some of this money be returned to the credit union, he made the statement that if he did so his license might be revoked. He didn't explain why so we are still at a loss to know.

It is to be hoped that the experience of this credit union might serve as a warning to other credit unions. When you need help with your accounting better see someone in the credit union movement. Remember our motto: *Not For Profit, Not For Charity, But For SERVICE*.

What, Oh What, To Do

In March

¶ Feature loans for home repairs and spring renovation.

¶ Remind your members and potential members, too, that it may be wise to borrow for new clothing; and that if they do wish to borrow for that purpose, the credit union is the place.

¶ Consider the advisability of having a late spring or summer membership meeting of some kind. This might be a picnic or outing, and should stress the recreational and social aspects, but should not neglect to inform members about progress being made by credit union; about what members can do to help out; and about services available to members.

Membership Drive

Supplementary Report

LATE REPORTS on the Third Annual International Credit Union Membership Drive add Kansas to the nine other states which exceeded their quotas. Reports coming after those published last month are:

	Quota	New Members	% of Quota
Kansas	644	1,555	241
Florida	2,537	1,756	69
Virginia	381	225	59
Connecticut	3,170	835	26
Quebec	392	102	26
D. C.	1,902	419	22
Canada and United States	100,000	49,511	49

Henry L. Peterson is managing director of the Kansas Credit Union League.

Plan Cuna offices to expand services

Offices in Washington and Canada proposed at eventful New Orleans meetings.

CREDIT UNIONS will have their interests in regard to governmental regulation and legislation more expeditiously looked after than ever, and Canadian credit unions will be given prompter service by the Credit Union, National Association, if a recommendation adopted by the executive committee of the Association at its meeting in New Orleans, February 8-10, is approved by the national board at its meeting in May. Management would be authorized to establish permanent offices in both Washington, D. C. and Ottawa, Ont.

"We have long felt the need for these offices," Tom Doig, Cuna managing director, commented when recommending that the action be taken, "and now I am glad to say we are able to make the necessary arrangements."

The Washington office will probably be in charge of Hubert Rhodes, veteran Cuna field secretary.

The Canadian office will, it is contemplated, be managed by a Canadian chosen by Canadian national directors.

Other Actions

The committee also:

1. Voted to recommend to the annual meeting of the Cuna National Board in May a budget for the fiscal year beginning March 1, 1946, totalling \$99,900.

2. Voted to recommend cost-of-living salary increases to employees totalling \$4,104, an average of about 10 per cent in the lower brackets; more than 12 per cent in the lowest.

3. Voted to recommend that the present practice of lending out field staff be discontinued when present commitments are fulfilled.

4. Voted to recommend that the Association's by-laws be changed to

provide for the redistricting of Canada and United States into nine districts (Canada to be one district). Under this plan one member of the executive committee would be elected from each district. The committee would then elect the Association's president, vice president, secretary and treasurer from its own number.

5. Voted to instruct the budget committee to prepare for the national board budgets for the new fiscal year based on dues schedules of 8 cents per member and 10 cents per member. This will supplement the approved proposal of the budget committee, noted above, which is based on the present dues schedule of 6 cents per member. The committee agreed to report to the board that in its judgment the amounts provided in the 10 cent budget are those necessary to provide credit unions the services to which they are entitled.

6. Voted to limit use of the "Little Man Under the Umbrella" insignia of the organized credit union movement to credit unions and organizations of credit unions.

7. Voted to authorize the President to invite past presidents of Cuna to the annual meeting at Cuna's expense. (A. B. MacDonald, who recently resigned as treasurer, is also to be invited, because of his service to the movement in Canada and because of his familiarity with the work of the Royal Commission in Canada in regard to the possible taxation of co-operatives and credit unions.)

Cuna Mutual Meetings

Meeting during the same weekend were the board of directors of the Cuna Mutual Insurance Society and the executive committee of the Cuna

Supply Cooperative.

Notable actions taken by the Cuna Mutual board included:

1. Voted to recommend a budget for 1946 totalling \$117,900, including an appropriation of \$10,000 for advertising.

2. Voted to reaffirm its determination that no commissions be paid agents.

3. Voted that it was the policy of the Society to pay comparable salaries for similar positions held in Canada and the United States.

4. Voted cost-of-living salary increases totalling \$3,540; comparable to those granted by Cuna.

5. Passed a resolution welcoming Earl Rentfro to the meeting and reaffirming the Society's appreciation for the services he rendered it in the past.

6. Voted to nominate the following for re-election to the board of directors at the annual meeting: Edward L. Shanney, John L. Moore, William W. Pratt, Gurden P. Farr, Harry C. Lash, Moses C. Davis, and Harold Moses.

7. Voted to nominate for inspectors of elections and members of the election committee (with a fee of \$25 each): Marion Gregory, C. W. Murphy, and H. W. Vetter; with W. L. Vandenburg, William Burke, and R. E. Archer as alternates.

8. Appointed Mr. Rentfro agent in Florida and J. Cyril Lunney agent in Province of New Brunswick, Canada.

Cuna Supply Meetings

Notable actions taken by the Cuna Supply Cooperative executive committee included:

1. Voted that a 4 per cent patronage dividend on business done during





1945-46 fiscal year be paid in cash to member Leagues at the close of business February 28, 1946.

2. Voted that a budget totalling \$84,540.50 be adopted.

3. Voted to recommend cost-of-living salary increases amounting to \$1,552.

Voted to recommend that \$2,000 be appropriated for advertising.

5. Voted to increase the list price of calendar banks from \$1.25 to \$1.50, subject to the 20 per cent discount to member credit unions, effective February 15.

6. Voted that management be authorized to make price adjustments on all items exclusive of binders and Cunadex cabinets and books, taking into consideration increases in wages and cost of materials.

Joint Meetings

At a joint meeting of the Cuna Mutual directors and the executive committees of Cuna and Cuna Supply it was:

1. Voted that salaries of the three organizations should be maintained as nearly as possible comparable for comparable positions, and that the

cost-of-living and merit raises recommended by the salary committee should be adopted and maintained pending receipt of a report from an expert in job classification.

2. Voted that the pension committee should be instructed to proceed to draw up a pension plan for submission to the annual meetings of the respective organizations based on 5 per cent contributions on the part of both the employers and the employees; and that these contributions should be made on the complete amounts of all salaries.

Chapter Dinner Meeting

On Saturday evening, February 9, the New Orleans Credit Union Chapter held a dinner meeting in honor of the visiting Cuna groups. After eating southern fried chicken the large room of credit unionists heard short talks by Harold Moses, president of the Louisiana Credit Union League; W. Dick Pfeffer, president, New Orleans Credit Union Chapter; Tom Doig, Cuna managing director; R. A. West, Cuna president; Karl Little, Cuna secretary; Joseph S. DeRamus, managing director Illinois Credit Union League; H. W. Vetter, managing director Iowa Credit Union League; Edward L. Shanney, president Cuna Mutual Insurance Society. C. G. Hy-

land, Cuna comptroller, was master of ceremonies.

Out-of-state credit union leaders not already mentioned above or in picture legends who attended the meetings included Thomas Cecil, president Kentucky Credit Union League and H. B. Yates, president Texas Credit Union League.

Local credit union leaders in charge of arrangements for the meetings and the dinner included Mr. Moses, E. K. Watkins, managing director Louisiana Credit Union League; and C. F. Eikel, Jr., Cuna field secretary.

Beware!

BEWARE OF:

1. The delusion that individual advancement is made by crushing others.

2. The tendency to worry about things that cannot be changed or corrected.

3. Insisting that a thing is impossible because we cannot accomplish it.

4. Refusing to set aside trivial preferences.

5. Neglecting a development and refinement of the mind and not acquiring the habit of reading and study.

6. Attempting to compel other persons to believe and live as we do.—ILLINOIS CREDIT UNION NEWS.



Above—Joint Meeting of Cuna executive committee, Cuna Mutual directors, and Cuna Supply executive committee.

Opposite page, left—Cuna Mutual directors: John L. Moore, Harold Moses, Joseph S. DeRamus, Moses C. Davis, Edward L. Shanney, Harry C. Lash, and George F. Feller. Directors William Reid and William W. Pratt were absent.

Opposite page, right—Cuna executive committee: Harold Moses, John Eidam, C. W. McKeever, Thomas M. Molloy, R. A. West, George J. Keller, Karl Little. Members Gurden P. Farr and William Goldfine were absent.

To left—Cuna Supply executive committee: Karl Little, (B. F. Beales, manager) and John Souminen. Marion Gregory was present at the meetings but not when picture was taken.

WE heard a story the other day about a man named Hughie who doesn't mind telling a joke on himself. He was downtown one evening celebrating a bit and in a very expansive mood. A sudden feeling of depression overcame him however when he saw approaching on unsteady feet a gentleman of his acquaintance who was likewise celebrating.

"Do you know who I am?" inquired Hughie, before the Second Gentleman had a chance to extend the hand of friendship.

"Sure I do," replied the S.G. in amazement, "You're Hughie . . . So-and-So."

"That's all you know," said Hughie scornfully. "I'm the Director of a bank!"

The Second Gentleman had evidently heard the one about the man who thought he was Napoleon, for he departed with as much haste as his condition permitted.

In Very Truth

Hughie was in very truth the director of a financial institution. The year was 1933, and the institution was the Coady Credit Union, New Aberdeen, the tenth of its kind to be established in Nova Scotia. At the time Hughie proclaimed his directorship the credit union had a handful of members and \$34 in share savings.

Hughie, his fellow directors and committee men, and the treasurer, Michael (Mick) Campbell, have been good and faithful custodians of their trust. Like Hughie, those other officers we met seem to be blessed with a good sense of humor. They recall that they were a little over-scrupulous in the beginning but then they had so little money and so little experience they can hardly be blamed for that.

First Loan Is for Cow

Their first request for a loan came from a man who wanted \$40 to buy a cow. The officers were satisfied with the character of the applicant, who was well known to them. It was the cow herself which bothered them. "Would she give enough milk to warrant paying \$40 for her?" That was the question which the credit committee members threshed out in several special sessions held over a period of several weeks. Then they decided to inspect the much discussed cow personally and look into her past performance. They concluded eventually that the borrower would get value received for his money and the loan was granted. The early records do not say whether or not the cow proved worthy of their faith in her.

Shortly after the negotiation of this loan, when the share capital had in-



Pride goeth before

a rise, in this case. Hughie bragged that he was a director of a bank when the Coady Credit Union first started to serve the miners of New Aberdeen, Nova Scotia, twelve years ago. Now "Special Correspondent" of The Maritime Cooperator, from which this is reprinted, reviews the growth of the credit union.

creased to \$98 another member applied for a loan of \$100. It, too, was held up for several weeks, the reason being insufficient funds. "Dammit," said one of the credit committee men finally, "What are we holding up loan requests for? I've got a farm up on Boularderie. I'll mortgage it if necessary."

But that wasn't according to credit union principles, it was pointed out, and in any case it turned out to be unnecessary.

The membership and share capital began to increase steadily, and the Coady Credit Union opened for part-time business in the Wesley Community Hall at New Aberdeen. It grew to the point where the directors felt that the credit union must have its own building. The members set to work and themselves built a nice little credit union office with five wickets for its tellers, and as one of them remarked, "had a great time doing it."

Has 1,000 Members

In New Aberdeen there are about seven hundred families, the head of which are all miners. There have been some very bad years and some good ones in the mining industry during the twelve years since the Coady Credit Union first opened for business, but it flourished during all of them.

It has 1,000 members today, with as many as six members in one family. It has \$102,000 in share capital. It has

given loans to its members amounting to \$650,000 with not one default among them. It has invested \$18,000 in Victory Bonds, and has deposited \$10,000 with the central organization for the province, the Nova Scotia Credit Union League.

At this stage the directors of the Coady Credit Union can well afford to laugh at their early adventures in banking.

We asked the treasurer, Mr. Campbell, to give us a general idea of what the loans have been granted for. "Everything," he replied. "We assist our members at the birth of their children. Financially speaking, we are there at the christening, we help buy school books and clothing, food and furniture; we help to marry our members, send them on honeymoons, and build or buy homes. We send them to the hospital when they need treatment and when they are beyond treatment we bury them. We go farther than that . . . we are sometimes able to go to the widow of a deceased member and advise her that a loan held by him at the time of his death has been wiped out, and that his share savings have been doubled. But that is something we can talk about later."

Help for the Sick

Mr. Campbell went on: There is a human interest story behind every loan, but there are some we particularly like to remember.

"One of our members was very ill in the hospital and his doctor decided he must be sent away immediately for an operation which could not be performed locally. He advised the sick man's relatives to that effect late one evening, but they had no money to send him away. In desperation they called some of the credit union officers out of bed. A number of others were working night shift, but at four o'clock in the morning they were able to meet. The loan was approved and at seven o'clock the patient was on the train. The operation was successful and he made a speedy recovery."

"On another occasion we loaned \$1,000 to send a boy to Montreal for a very serious brain operation. The great brain surgeon, Dr. Pennfield, performed the operation, and that boy is alive and well today."

"What about some of your larger loans?" we asked.

"Our larger loans have been chiefly for housing," Mr. Campbell said. "We financed the building of at least twenty homes, and we loaned money to 15 members who wished to buy homes. The largest of these loans was \$2,800."

Share and Loan Insurance

"You mentioned something about wiping out unpaid loans of deceased

members, and doubling their share capital. What about that?

"Well," Mr. Campbell explained, "the Nova Scotia Credit Union League, with which we are affiliated, is affiliated with the Credit Union National Association (Cuna) at Madison, Wisconsin. You see, our movement has become international in scope. Cuna provides share and loan insurance coverage, as well as life insurance for credit union members, and these services are made available to our credit unions in this province. Both the loans and share capital of all our members are insured, so that when a man dies owing the credit union \$200, let us say, that loan is wiped out. If he has, at the same time, \$150 in share savings his heir or heirs receive \$300. When we tried to explain this service to the members at first they found it hard to believe. Some non-members simply refuse to believe it at all.

"Cuna Mutual will pay our credit union three claims within the next few weeks. One of our deceased members had \$648 in share capital when he died. This account will be doubled. Another man had a loan of \$595 at the time of his death, and share savings of \$148. The loan will be wiped out by Cuna and the credit union estate of the deceased member will be \$296. We expect another check for \$130 from Cuna to double the share capital of still another deceased member."

"You have certainly come a long way from the days when you debated so earnestly over the cow," we commented.

"Yes," said Mr. Campbell, "our directors recently decided that we can no longer take all of the business operating on part time, so a full time clerk has been appointed and our office will be open for business at regular hours every day."

Full Time Service

The full time clerk was in the office, and was none other than Mrs. Michael Campbell, the treasurer's wife. She was busy posting a ledger when we met her. Her two children are grown up and away from home, and she is free to devote her time to credit union affairs. Mrs. Campbell told us that she had worked in a bank before her marriage, "more years ago than I care to admit."

Since the office has opened for business every day there has been a boom in membership . . . Mrs. Campbell attributes this partly to the payment of the Canadian Government's Family Allowance. "Miners aren't extravagant," said Mrs. Campbell. "You'd be surprised how many new accounts have been opened for children since those baby checks have started. So

many people are anxious to put the money away untouched for the education of their children, or at any rate for a little nest egg later on. They would have saved money if they had the means of saving it before this."

There's no doubt about it now, the Coady Credit Union *has* the means to give its members in future, services which the directors perhaps do not even dream of today.



Walden Ideals

Air Castles? Yes, But

REPRINTED FROM NEW YORK TIMES.

In the lyric month of June one hundred years ago Thoreau was sheathing his house, preparatory to shingling without and plastering within. Between house-building beside Walden Pond and hoeing the beanfield near by he was as detached from the commerce of Concord and the nation as he wished to be, for he always liked to keep a skeptical eye on the affairs of society. They did not please him much. Under the inept leadership of President Polk the nation was blundering into a Mexican war which only the expansionists wanted. The problem of slavery, and the property that "peculiar institution" entailed, were poisoning the unity of the States. None of the big enterprises of the day stimulated the spirit of a romantic youth who coveted personal independence.

If he had confined himself to boarding up the house and hoeing the beans, we should not be discussing Thoreau a century later in the midst of a catastrophe that has shaken the world. But in 1854, eight years after he left the pond, he published "Walden," a pithy and noble book that challenged the foundations of society. He thought society had put a wrong-headed economy ahead of spiritual fulfillment. "Most men, even in this comparatively free country," he wrote, "through mere ignorance and mistake, are so occupied with the factitious cares and superfluously coarse labors of life that its finer fruits cannot be plucked by them." And, "I am convinced, both by faith and experience, that to maintain one's self on this earth is not a hardship but a pastime, if we will live simply and wisely. * * * It is not necessary that a man should earn his living

by the sweat of his brow, unless he sweats easier than I do."

Since eleven million of our young men have had to drop whatever they were doing and defend our liberties, and since more than 250,000 of them have already been killed in defense of America on foreign soil, it would be easy to conclude that Thoreau was right and society is wrong, and that everyone should turn artisan, farmer, poet and philosopher. Certainly, his sense of values might have spared us the speculative orgy of the Twenties. But is there anything in his philosophy that would have corrected the isolationism of the Thirties when, like Thoreau, we withdrew from the society of nations and tried to preserve our freedoms by living to ourselves? At a terrible cost we have learned, and shall try to remember always, that we cannot be free by trying to live alone. Normally, man is a social animal; and to be normal, the world must be a society of nations.

Thoreau's two years at Walden Pond were not a protest but an affirmation of his dreams. He loved the woods; he wanted to live in the woods, and he did. He was not so much of an egotist as to expect others to imitate his quiet interlude beside a sweet New England pond. All he wanted was that men live by the highest laws of moral consciousness in the direction of their dreams. Although no one can look with satisfaction on the achievements of society today, perhaps Thoreau would agree that the ideals and principles of modern society measure up to the standards he believed in. Freedom to speak, freedom to worship, freedom from want, freedom from fear—these are ideals that share his high-mindedness. "If you have built castles in the air," he wrote with a poet's sagacity, "your work need not be lost: that is where they should be. Now put the foundations under them."

He Sees Dark Future

" . . . THE UNITED STATES is emerging from the war enormously enriched and comparatively unscathed, and faces the post-war period the greatest capitalist power on earth. This country will henceforth, until adversity reawakens the people and revives the progressive movement, be the citadel of world reaction. As a result of compromises believed necessary to mobilize the nation, one strategic post after another has been relinquished to men representing monopoly capitalism."—I. F. Stone, in THE NATION.

Credit unions, of course, tend to make capitalism democratic. Another reason why we should have more and stronger credit unions.

What About It?

by Dora Maxwell

Answers to your credit union questions
by Cuna organization and education director

Automobile Loans

QUESTIONS FROM VIRGINIA

The question of automobile loans arose in our board meeting and I was asked to secure some information from you, regarding the experiences of other credit unions in the field of automobile financing. This credit union has done no extensive business in financing of automobiles and most of the business done has been for the purchase of new cars. We are listing six questions and answers.

QUESTION:

1. What is the usual policy regarding the percentage of the purchase price that will be financed, on both new and used cars?

ANSWER:

1. It has always been considered good credit union practice to finance the entire purchase price of a new or used automobile. Of course, at the present time we are restricted, as are all other lending agencies, by Regulation W. The regulation limits the amount which may be loaned to finance the purchase of a new or used automobile to 66½ per cent of the cash purchase price. Therefore, at the present time it is not possible to make a loan for more than two-thirds of the purchase price. We are hoping very much and have every reason to expect that as automobiles become more plentiful on the market, the regulation will be further relaxed or lifted entirely. It is my opinion that as soon as the regulation will permit it, all credit unions should take advantage of the relaxation and make automobile loans for the full percentage allowed.

QUESTION:

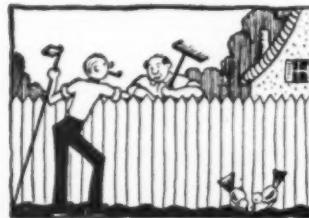
2. What is the length of time for which an automobile loan is ordinarily made?

ANSWER:

2. Regulation W limits the period for which an automobile loan may be made to 15 months. We believe this limitation will not be in effect very much longer. When the regulation is relaxed there is no reason why a loan to finance the purchase of a new or used automobile should not be made for the maximum amount of time allowed by the law under which the credit union operates.

QUESTION:

3. What is the method used in assessing the valuation of used cars?



You are invited to submit your questions on any credit union problems to this department. You are also welcome to contribute your own ideas on the answers printed here. What's on your mind?

ANSWER:

3. It is usual credit union practice to make loans on used cars for the full amount of the purchase price except in those instances where the security offered is the determining factor in making the loan because the member is new and very little is known of his character. I do not believe it is customary for the average credit union to make a point of determining the valuation of a used car. However, in cases where this is done the Blue Book Guide is usually followed.

QUESTION:

4. Is any security normally required other than that the credit union have a lien on the car, and that insurance against fire, theft, and collision be carried for the life of the loan?

ANSWER:

4. Normally a credit union makes loans to finance the purchase of cars with no security requirements other than a lien on the car and an insurance policy. In order to protect the credit union the insurance company should be requested to insert a loss payable clause naming the credit union in the policy. Of course the credit committee in any case has the right to request additional security. I do not believe that we should make any rules which restrict ourselves. Although it may be desirable in a few cases to request additional security, I think it is very unwise for any credit union to make a blanket rule which would deprive the great majority of their borrowers from more liberal terms.

QUESTION:

5. Is the cost of the insurance usually added to the amount of the loan in addition to the portion of the purchase price of the car financed?

ANSWER:

5. It is customary to loan an amount

sufficient to pay the first year's insurance premium in addition to the purchase price of the car.

QUESTION:

6. We have been approached by a number of insurance companies with various plans for insurance coverage on automobiles, each plan being more or less similar to all others. Is there any one company that you, or the National Association, feel has an insurance plan that is particularly outstanding that you would recommend for our use?

ANSWER:

6. It will be noted from the vote of the Executive Committee which is set forth in the attached material, the National Association has gone on record as approving the plan which has been used in Kansas and Nebraska. The Employers Mutuals is a well established company and has claim agents in all principal cities of the United States. The experience of credit unions in Kansas and Nebraska in using the plan offered by the Employers Mutuals has been very satisfactory.

All indications are that the banks and all other lending agencies are going to be very aggressive in going after the automobile finance business. Credit unions could do a better job for their members than any other type of lending agency. If the credit unions are going to get the automobile finance business which they should, they will need to be aggressive in going after the business and liberal in their lending policies.

It is a fact that the entire field of consumer credit is now looked upon with a covetous eye by lending agencies which previously were not interested. Credit unions must endeavor to eliminate as much red tape as possible, be liberal in their lending policies, and be aggressive about securing their share of the business.

Discount on Supplies

QUESTION (FROM DISTRICT OF COLUMBIA):

Recently I talked with the president of one of the credit unions about joining the D. C. League. When I referred to the 20 per cent discount on supplies available to league members, he interrupted me and said, "You don't really think that only the League members are getting that discount, do you? We get it right along." The directors of

the D. C. League have asked me to write you and find out what your policy is on this matter and whether you check up regularly.

ANSWER:

All bills of the CUNA Supply Cooperative carry the notation "You are entitled to deduct a discount of 20 per cent from this bill if your credit union is a member of your State League or individually affiliated with CUNA if there is no State League." Any credit union which takes the discount and is not entitled to it, is taking advantage of the fact that it is practically impossible to check on all the small items that have to be billed through CUNA Supply. It would be economically unsound to attempt to do this. We are glad to report that very few credit unions take advantage of this discount when they are not entitled to it. In discussing league affiliation with credit unions, the discount on supplies should not be stressed as it is not a very large item due to the fact that the average credit union buys about \$10 worth of supplies a year and 20 per cent discount because of membership is not important to them. What is important are the legislative, organizational and educational, bonding, insurance, and other services, and the value of sticking together to solve common problems. Most people don't want to ride free.

Locating Members

QUESTION (FROM NEW JERSEY):

In many instances when a member has left his position with the railroad and goes to work for another company, we have obtained a judgment. However, it is impossible to satisfy the judgment if we cannot ascertain the new employer. We have the Social Security number on each member and we are wondering whether CUNA would be able to find out from the proper authorities in Washington, by giving the Social Security number, just where the borrower is working at the present time.

ANSWER:

The Social Security Board will not furnish new addresses of any persons listed with them as carrying Social Security cards. It would be contrary to the law if they did this. This is for the protection of people registered with the Social Security Board.

Insurance on Joint Accounts

QUESTION (FROM PENNSYLVANIA):

In the case of a real estate loan for which a husband and wife both sign, who is insured?

ANSWER:

Under the Loan Protection contract,

there is a specific provision which defines the "Borrower" who is also the "Insured" as the person who actually makes application for the loan and signs the note as the maker. The insured is the person whose name first appears on the note as the maker. Therefore, in the case of a real estate loan for which the husband and wife both signed, the insured is the one who made the application and signed as the maker of the note.

If your credit union carries a Life Savings contract to insure savings of your members, that contract has a specific clause in the case of joint accounts to the effect that coverage is on the life of a member whose name appears first in the joint account.

Claim on Death of Disabled Member

QUESTION (FROM ILLINOIS):

We adopted Loan Protection in July, 1945. We had on our books, a loan to a member who was last able to work at his regular occupation on December 15, 1944. He died one month after we adopted Loan Protection. Are we covered?

ANSWER:

This is a very unusual case. We are sorry that this member is not covered as he was not employed and was physically unfit at the time the contract was issued. If your contract had been in effect before the member was taken ill, and the member had been working when he made the loan, there would be no question as to payment of claim. If the contract had been in effect before the member became ill, and the member had not been working when he made the loan, the claim might still be payable, depending upon a review of the specific circumstances.

But since he was not able to work at the time the contract went into effect and was never able to resume his duties it would be entirely improper for us to recognize this as a just claim.

Credit Unions in Plants on Strike

QUESTION (FROM COLORADO):

We are faced with a situation here similar to that in the East. That is strike or threat of strike. We anticipate a problem regarding our share withdrawals and we thought CUNA could advise us how credit unions in the Detroit area, for example, are meeting the problems. Possibly CUNA has a pattern for credit unions to follow.

By Resolution we are invoking at the time it becomes necessary, Section 5, Article III. Our credit union, incidentally, is in good financial condition and can adequately care for a large number of our members.

ANSWER:

Our credit unions now have met all kinds of calamities and disasters—depressions, wars, strikes, shut-downs, etc. In spite of these we have shown a very determined ability to stay alive.

If you do actually have a strike at your plant, you will want to go on serving the members as you have in the past. It may be necessary for the credit union to move from the plant and start operating from the home of the treasurer or president.

We urge that you do not invoke Section 5, Article III of your by-laws as you suggest in your letter unless it becomes absolutely necessary. You have no reason to believe that just because there is a strike there will be too unusual demand for the money of the members. Nothing would provoke such a demand for the money so fast as your anticipation of it by invoking this clause. We would urge you to pay out all shareholders that request their money in as normal a fashion as possible. Try to anticipate the possibility of running short of cash and provide yourselves with adequate funds by borrowing from your Central Credit Union maintained by the Colorado Credit Union League. If your own Central Credit Union cannot help you, we would be able at CUNA headquarters here in Madison to assist you by referring you to some other credit union.

The best piece of advice that we could give you is not to show any signs of panic or excitement or awareness of any unusual situation. When a strike hits a group, the rainy day for which they have been saving may have arrived and that is the time when the credit union should not hold back but do its best to serve the largest number of people.

Credit Union on National Basis

QUESTION (FROM OHIO):

We are an association of women medical students and doctors. We have a constant demand for loans and are considering credit union organization on a nationwide basis. Believe it or not, some doctors, even in these times, find it advisable to borrow money for cars or for expensive pieces of equipment or otherwise. How can we organize on a national basis? We desire to take advantage of the Life Savings insurance and are considering using a federal charter.

ANSWER:

Credit unions serving national groups, and there are some in operation, are different from the usual set-up. You shouldn't come to any hasty conclusions about this matter without consulting first with the managing di-

rector of the Ohio Credit Union League. You have assumed that a federal charter would serve your purpose best. At the same time, we note, that you are interested in the Life Savings insurance. We are sorry to have to tell you that at the present time federal credit unions are not permitted to use Life Savings insurance. Most state laws do not restrict credit unions to accepting members within the borders of the state. It is just possible that your purpose could best be served by organizing under the Ohio law. The managing director would best be able to tell you about that.

Automobile Insurance

QUESTION (FROM NEW YORK):

I desire to take out auto insurance. Please inform me as to the cost and procedure.

ANSWER:

We have not organized our own company to provide this particular service, but have made an arrangement with the Employers Mutual Liability Insurance Company of Wausau, Wisconsin, for credit unions to handle the insurance for their members. We are asking this company to send you information which would be applicable in New York state.

Social Security Tax

QUESTION (FROM INDIANA):

Since we now have a full time clerk in our office, will you please enlighten me on rulings as to our being required to make deductions from salary to pay the tax as well as the credit union itself paying a portion of it. Some years back I got the information that federal credit unions were not required to make any such payment. But at that time we had no full time employee and only the treasurer who was paying a tax into the Railroad Retirement Fund, as he was regularly employed on the railroad. Now the question has also come up as to whether or not this same treasurer should pay into the Social Security Fund as well as the full time employee and could he collect from both funds in his old age?

ANSWER:

Section 18 of the Federal Credit Union Act provides that federal credit unions shall be exempt from all taxation except taxes on their real property and tangible personal property. They are not subject to the Social Security taxes.

The Commissioner of Internal Revenue has ruled that the Federal Unemployment Tax Act is not applicable with respect to services performed in the employ of federal credit unions. This ruling is dated January 27, 1940;

is entitled, Applicability of the Employment Taxes Imposed by the Federal Insurance Contribution Act and the Federal Unemployment Tax Act with respect to services performed on or after January 1, 1940, in the employ of certain banks and related organizations, and provides in part as follows:

"FEDERAL CREDIT UNIONS"

"35. In S.S.T. 140 (C.B. 1937-1, 428), the Bureau ruled that federal credit unions organized pursuant to the Federal Credit Union Act of June 26, 1934 (48 Stat., 1216), are instrumentalities of the United States for Social Security Tax purposes. Section 18 of an Act approved December 6, 1937 (31 Stat., 4; U.S.C., Title 12, Section 1768), amending the Federal Credit Union Act (48 Stat., 1216), provides as follows:

"The Federal Credit Unions organized hereunder, their property, their franchises, capital, reserves, surpluses, and other funds, and their income shall be exempt from all taxation now or hereafter imposed by the United States or by any State, Territorial, or local taxing authority . . ."

"36. Accordingly, the taxes imposed by the Federal Insurance Contributions Act and the Federal Unemployment Tax Act are not applicable with respect to services performed in the employ of such Federal Credit Unions." (Int. Rev. Bulletin, Cumulative Bulletin 1940-1, January-June, 1940, P. 203, 209; Mim. 5003.)

In view of the foregoing it is clear that federal credit unions are exempt from the Social Security tax.



Don Candland Dies

DON C. CANDLAND, principal credit union examiner in the Madison office of the Federal Deposit Insurance Corporation, died in Madison on February

14. His heart, weakened by rheumatic fever when he was a child, was unable to stand the strain of a pneumonia attack.

Don was born in Mount Pleasant, Utah, February 2, 1909. He studied at Brigham Young University in Provo, Utah, and at George Washington University in Washington, D.C. He joined the staff of the Federal Credit Union Section in 1937 and served as a credit union field representative in the Mountain States and in Washington, D.C., until 1942 when he became a credit union reviewer in the Washington office of the Section.

During the summer of 1942, after the Section had been transferred to the F. D. I. C., he came to Madison to take the position he held at his death.

He was chairman of the examining committee of the Co-op Credit Union in Madison; was an active member of the Cuna Credit Union; and was a leader in cooperative and church groups.

He was one of the most respected and best liked men in the credit union movement.

Round About

The Credit Union Movement

¶ The MacIntyre Credit Union at Passchendaele, Nova Scotia, has an attractive small building of its own, which the members have built themselves. It has \$18,000 in assets.

¶ The Merck Rahway Employees Federal Credit Union is celebrating its tenth anniversary. An elaborate report in pamphlet form, well illustrated with bar charts, traces its history and financial condition. In the 10 years it issued 2,510 checks; granted 652 loans, totalling \$83,562; cashed 22,700 checks amounting to \$1,100,000 for members; and participated in 17,200 transactions involving share and loan payments.

¶ The Hillsborough County Teachers Credit Union, Tampa, Florida, issued a printed annual report with an extraordinary amount of statistical information, with comparative figures for every year since their organization. They increased membership every year except 1943 and 1944, but in 1945 gains more than made up for the losses during those years and they have more members than ever—1,112. Of these, 505 have less than \$10 in shares, 294 have \$100 or more, 152 have \$500 or more, 97 have \$1,000 or more, and 35 have \$2,000.

¶ The Sterling Community Federal Credit Union, Sterling, Colorado, put out a snappy report and invitation to their annual meeting. Big floor show, big dance, prizes were included. 450 turned out.

¶ The Wecony Federal Credit Union,

New York, New York, issued a profusely illustrated, 12-page issue of its publication THE BROADCASTER in honor of its Tenth Anniversary.

¶ The Illinois Credit Union League has issued a comprehensive and detailed "Guide Book for Credit Union Treasurers." It is by M. F. Gregory, president of the League. Gives just the specific information, well illustrated, the new treasurer needs.

¶ Tom Doig, Cuna managing director, was the chief speaker; W. M. Smothers, industrial agent for the Alton Railroad, was special guest; and Merrill Bloomquist, Illinois, League field representative, was toastmaster at the eighth annual banquet of the Bloomington, Illinois, Chapter of Credit Unions, on February 23.

¶ In 12 years the Twin City Co-ops Credit Union, Minneapolis, Minnesota, has made 3,699 loans amounting to \$998,971.

¶ The Alliance C. B. & Q. Employees Federal Credit Union, Alliance, Nebraska, has \$292,199 in assets at the end of 10 years. The average shareholdings are \$203.

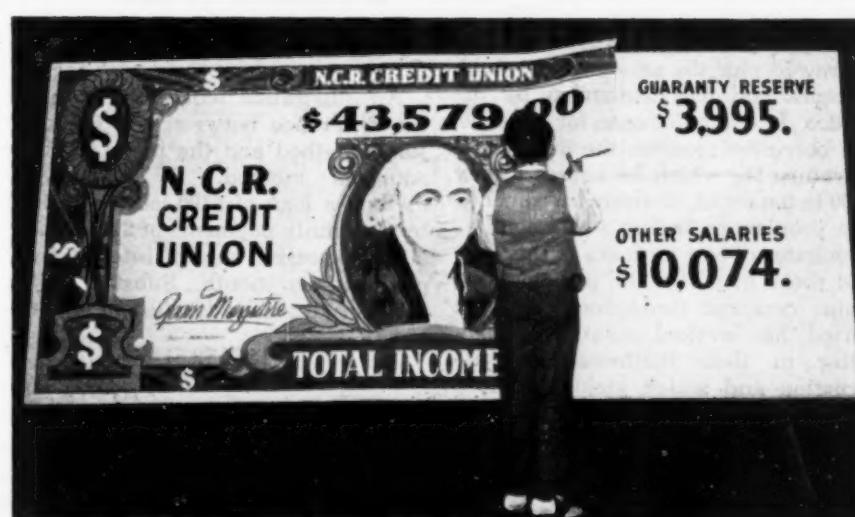
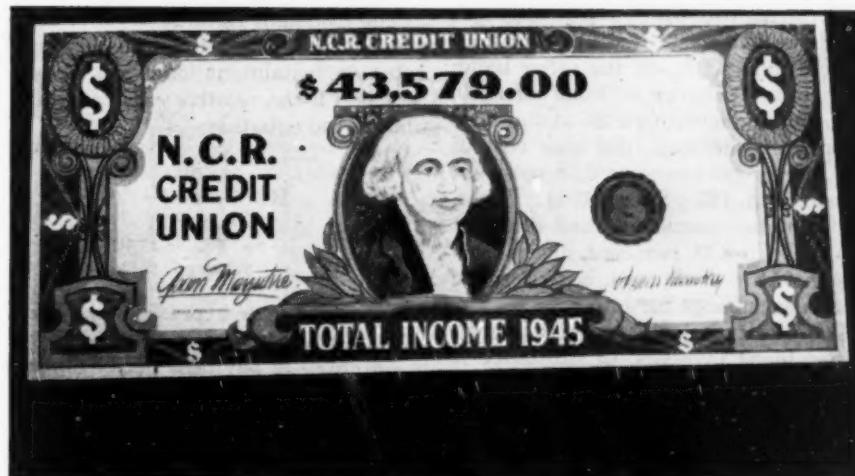
¶ The Hobb's Glass Employees' Credit Union, London, Ontario, paid a 10 per cent patronage divided on interest payments, as well as 3 per cent share dividends on 1945 operations. It got a featured writeup, including a picture of its officers, in the LONDON FREE PRESS.

¶ The Municipal Credit Union, New York, New York, has elected William Reid its president for the twenty-fourth consecutive term.

¶ The Santa Monica Consumers' Cooperative Federal Credit Union, Santa Monica, California, included in its annual report a list of all the important actions by the directors during the year.

¶ The Employees' Credit Union of the G. H. Hammond Plant, Chicago, Illinois, adorns its 14-page-plus-covers mimeographed annual report with a snapshot on the cover showing some members at the credit union window, and a snapshot of President G. E. Kappelman at the head of the president's report. The pictures are pasted in.

¶ The Kingsville Employees Federal Credit Union, Kingsville, Texas, sold 2,186 war bonds through December 31, 1946 for a total cash value of \$198,-110.75. This amount was derived from actual cash purchases, and not payroll deductions. This record was noted by the KINGSVILLE RECORD in a front-page article announcing the annual meeting of the credit union. An account of the history of the credit union and a list of its officers was also included.



Unusual Report

Top—About 700 members attended the annual meeting of the National Cash Register Credit Union, Dayton, Ohio. They saw a novel presentation of financial reports by Treasurer Paul Deaton.

Next—First they saw this graphic representation of Total Income.

Next—As Mr. Deaton reported the expense and other disposition items the young man removed sections of the bill until the only part left represented income for the year.

Bottom—As each balance sheet item was read off a child with an appropriate card came upon stage and stood on the asset or liability side.

Eliminating the Mystery

From Interest Rates on Small Loans

IF A PERSON borrows \$100 on January 1, 1946, and repays \$106 on January 1, 1947, the interest charge is obviously \$6 and the cost of the loan, expressed as a rate per cent per annum, is 6 per cent. This is a clear, straightforward, and readily understood statement of the cost of borrowed money. If, on the other hand, a borrower secures a "loan" of \$100, and the lender deducts \$6 at the time of making the loan, the true cost of the money borrowed is 6.38 per cent per annum ($\$6 \div \94×100). Thus, the common practice of bank discount results in a 6.38 per cent increase in the true rate of interest, based on the 6 per cent charge for one year.

The great majority of small, consumer loans involves, in substance if not explicitly, instalment payments of principal and interest. Practice varies widely; but in general the borrower receives the use of a certain sum of money at the time of making the loan and contracts to repay, usually in equal instalments, the sum actually borrowed plus the amount of interest, charges, and fees demanded by the lender. In a familiar case, for instance, the borrower receives the use of \$92, in return for which he agrees to pay \$100 in ten equal, monthly instalments. The problem of finding a common denominator of cost for loans of this type and those in which the principal remains constant throughout the loan period has evoked solutions which differ in their mathematical construction and which yield, within a definable range, different results in terms of interest rates. It would be desirable to reach something like unanimous support for one or another method. It would serve not only to promote fairness in competition among lenders but would make it more feasible for borrowers to compare the wares of rival sellers. As it is, "the typical borrower of a small amount, repayable in installments after interest has been taken in advance, neither realizes the effective rate of interest he is paying nor is capable of making

by Robert S. Smith

a comparison between the varying rates charged by competing lenders."¹

Relatively Simple Method

The Constant Ratio Method of computing the equivalent annual interest rates on instalment loans has to recommend it the relative ease of manipulating the equation:

$$R = \frac{2mI}{B(n+1)}$$

where,

R=rate per year expressed as a decimal fraction

m=number of payment periods in one year (eg., 12 months)

I=total carrying charge

B=the true principal, i.e., the sum actually received by the borrower on negotiating the loan

n=number of (equal) payments called for by loan contract.

An illustration will suffice to show the difference between the Constant Ratio Method and the more intricate actuarial method. By the latter method a loan of \$100 can be retired by 9 monthly payments of \$11.39 each, if the expressed rate of interest is $\frac{1}{2}$ per cent per month. Substituting in the Constant Ratio formula,

$$R = \frac{2X12X\$2.51}{100(9+1)} = .0602,$$

or 6.02 per cent per annum.

Here is one of a family of tables which could be derived by the Constant Ratio Method. It is offered as a concise, practical, and reasonably accurate device for ascertaining the equivalent annual rates of interest on instalment loans. With such a table before him, the rational individual would choose to repay a \$10 loan in three monthly instalments of \$3.50 each rather than make four payments of \$3 each. If this seems too elementary, let him decide, without benefit of table or formula, whether it would be less costly to repay a \$10 loan in five installments of \$2.50 each or in three payments of \$4 each.

Table Easily Adapted

The table can be easily adapted to loans of any size by multiplying the

figures in first column (Amount Repaid Per Month) by the ratio of the loan in question to \$10. Thus, on a \$50 loan the ratio is 10/50, or 1/5. If \$5 is to be paid on the loan each month for 11 months, multiply \$5 by 1/5 and get \$1. Then look for \$1 in the Amount Repaid Per Month column and glance over to the right to the column headed 11, where it appears that the interest charge is equivalent to 20 per cent per year.

In other words the rate of interest on a \$50 loan repayable in 11 installments of \$5 each is exactly the same as on a \$10 loan, loan repayable in 11 installments of \$1 each.

Rates for "Amounts Repaid Per Month" not appearing in the table lie proportionately between the stated rates for the next highest and next lowest amounts given in the table.

What Rate Interest?

FROM DNICU NEWSLETTER, published by Detroit Newspaper Industrial Credit Union, Detroit, Michigan.

Now that consumer goods, including new cars, are about to get on the market in ever increasing numbers, each and everyone of us will be bombarded from all sides with alluring advertising as to how best to finance such merchandise.

You will meet from all angles the most subtle phrases of the greatest mental gymnasts in the financing field. You will be urged to buy anything and everything, whether you need it or not, whether you can afford it or not.

In the whole field of consumer financing, there is no one thing more misconstrued and misunderstood by the buying public than the interest rate or cost of financing purchases. In a great many cases interest on such financing is only one item of many "costs" in the ultimate total.

In the final analysis, the interest rate is not as important as the full financing charges. A modest rate of interest can be more than made up by adding "service charges," fines for late payments, etc.

The Real Story

It is our purpose here to try to give you the real story about financing costs and how to judge the merits of the many plans that will be thrown at you, particularly in the auto financing field.

¹Quoted from the Ninety-Second Annual Report of the Superintendent of Banks, State of New York, in G. W. Phelps, "Monopolistic and Imperfect Competition in Consumer Loans," *The Journal of Marketing*, April, 1944, p. 10.

Robert S. Smith is associate professor of economics at Duke University. This article is adapted slightly from an article in *The Tarheel Banker*, official publication of the North Carolina Bankers Association.

Small Loan Interest Cost Calculator

Original Loan: \$10. (= the Amount actually paid in hand to borrower at time of making the Loan.) Rates on other amounts can be readily obtained from this table. See accompanying article. (section headed "Table Easily Adapted.")

Equivalent Annual Interest Rate = The Rate per cent found opposite *Amount Repaid per Month* and under *Number of Monthly Payments*.

Amount Repaid Per Month	Number of Monthly Payments														
	1	2	3	4	5	6	7	8	9	10	11	12	18	24	36
Rate per cent															
\$.50	x	x	x	x	x	x	x	x	x	x	x	x	x	19	52
.75	x	x	x	x	x	x	x	x	x	x	x	x	44	77	110
1.00	x	x	x	x	x	x	x	x	0	20	37	101	134	169	
1.25	x	x	x	x	x	x	x	0	30	55	75	92	158	192	227
1.50	x	x	x	x	x	x	15	53	84	109	130	148	215	250	285
1.75	x	x	x	x	x	17	68	107	138	164	185	203	272	307	344
2.00	x	x	x	x	0	69	120	160	192	218	240	258	328	365	402
2.25	x	x	x	x	50	120	173	213	246	273	295	314	385	422	461
2.50	x	x	x	0	100	171	225	267	300	327	350	369	442	480	519
2.75	x	x	x	48	150	223	278	320	354	382	405	425	499	538	577
3.00	x	x	x	96	200	274	330	373	408	436	460	480	556	595	636
3.25	x	x	x	144	250	326	383	427	462	491	515	535	613	653	694
3.50	x	x	30	192	300	377	435	480	516	545	570	591	669	710	752
3.75	x	x	75	240	350	429	488	533	570	600	625	646	726	768	811
4.00	x	x	120	288	400	480	540	587	624	655	680	701	783	826	869
4.25	x	x	165	336	450	531	593	640	678	709	735	757	840	883	928
4.50	x	x	210	384	500	583	645	693	732	764	790	812	897	941	986
4.75	x	x	255	432	550	634	698	747	786	818	845	868	954	998	1,044
5.00	x	0	300	480	600	686	750	800	840	873	900	923	1,011	1,056	1,103
5.25	x	40	345	528	650	737	803	853	894	927	955	978	1,067	1,114	1,161
5.50	x	80	390	576	700	789	855	907	948	982	1,010	1,034	1,124	1,171	1,219
5.75	x	120	435	624	750	840	908	960	1,002	1,036	1,065	1,089	1,181	1,229	1,278
6.00	x	160	480	672	800	891	960	1,013	1,056	1,091	1,120	1,144	1,238	1,286	1,336
6.25	x	200	525	720	850	943	1,013	1,067	1,110	1,145	1,175	1,200	1,295	1,344	1,395
6.50	x	240	570	768	900	994	1,065	1,120	1,164	1,200	1,230	1,255	1,352	1,402	1,453
6.75	x	280	615	816	950	1,046	1,118	1,173	1,218	1,255	1,285	1,311	1,408	1,459	1,511
7.00	x	320	660	864	1,000	1,097	1,170	1,227	1,272	1,309	1,340	1,366	1,465	1,517	1,570
7.25	x	360	705	912	1,050	1,149	1,223	1,280	1,326	1,364	1,395	1,421	1,522	1,574	1,628
7.50	x	400	750	960	1,100	1,200	1,275	1,333	1,380	1,418	1,450	1,477	1,579	1,632	1,687
7.75	x	440	795	1,008	1,150	1,251	1,328	1,387	1,434	1,473	1,505	1,532	1,636	1,745	
8.00	x	480	840	1,056	1,200	1,303	1,380	1,440	1,488	1,527	1,560	1,588	1,693	1,747	1,803
8.25	x	520	885	1,104	1,250	1,354	1,433	1,493	1,542	1,582	1,615	1,643	1,749	1,805	1,862
8.50	x	560	930	1,152	1,300	1,406	1,485	1,547	1,596	1,636	1,670	1,698	1,806	1,862	1,920
8.75	x	600	975	1,200	1,350	1,457	1,538	1,600	1,650	1,691	1,725	1,754	1,863	1,920	1,978
9.00	x	640	1,020	1,248	1,400	1,509	1,590	1,653	1,704	1,745	1,780	1,809	1,920	1,978	2,037
9.25	x	680	1,065	1,296	1,450	1,560	1,643	1,707	1,758	1,800	1,835	1,864	1,977	2,035	2,095
9.50	x	720	1,110	1,344	1,500	1,611	1,695	1,760	1,812	1,855	1,890	1,920	2,034	2,093	2,154
9.75	x	760	1,155	1,392	1,550	1,663	1,748	1,813	1,866	1,909	1,945	1,975	2,091	2,150	2,212
10.00	0	800	1,200	1,440	1,600	1,714	1,800	1,867	1,920	1,964	2,000	2,031	2,147	2,208	2,270

Take for instance a \$600 car finance for say 12 months. You will pay \$50 each month, plus your interest. If the rate of interest is quoted at 4 per cent, or \$24, the rate of interest on the loan is not 4 per cent per annum, but 7.39 per cent. If the quoted rate is 5 per cent, or \$30 the rate per annum is 9.54 per cent. If the quoted rate is 6 per cent, or \$36, the rate per annum is 11.08 per cent. If the quoted rate is 8 per cent, or \$48, the rate per annum is 14.77 per cent.

If there are other charges, the actual rate of interest cost is even higher because the full amount you pay for financing the buying of your car is the all-important point, not the quoted rate.

In the DNICU the quoted and actual rate is 12 per cent per year with a

total finance cost of \$39 compared with the above.

Now, the DNICU does not now, nor never has claimed to have the lowest per annum interest rate in the consumer financing field. Our rate is one per cent per month on the unpaid balance, or 12 per cent per annum.

We Do Claim

However, we do claim that in the final analysis, the total cost of financing an auto purchase with us will be equal or lower in most instances than other plans, despite the lower quoted interest rate.

The reason is that with us there is only one charge, the interest. Absolutely nothing else is added. There are no fines, no service charges, no forced auto insurance, no hidden charges of

any kind.

Most important, however, is what the DNICU gives you in addition to a clean-cut car finance. All our loans are covered, without cost to you, by loan protection insurance against death or total disability. In case of either of the above, your car is free and clear.

Also, by virtue of being a shareholder, you participate with us in all annual dividends declared. In other words, some of the interest you have paid on your loan, comes back to you in proportion to your share holding. In addition you place your auto insurance where you desire it.

Another point worth your consideration is the fact that you will be doing business with a humane organization, one that will be under-

standing in times of stress, your own credit union, your own fellow workers.

Other Advantages

One more advantage of doing business with your own credit union when you buy that car is that your interest is not paid in advance because it can only be computed on the unpaid monthly balances. You are free at any time to pay all or any portion of the unpaid balance, in addition to the contract, the interest being figured only for the actual number of days you use it.

In cases where a service charge by the finance company is added to the costs and you pay a contract off ahead of the final due date, the finance company is not compelled to return any portion of the service charge. The rebate on the contract for paying ahead of time in that case is insignificant. Consider this angle as compared to your privilege in the DNICU.

Equally important to all the above is the fact that we have your full interest at heart. We will be careful to see that you are not "overbought" in time payments for consumer goods. Being a true cooperative, we do try and counsel with you to the end that your best interests are served. The economic betterment of each one of our members is the goal of all of us.



Shipe Takes New Job

J. ORRIN SHIPE, educational director of the Credit Union National Association from 1939 till he entered the Navy early in 1945, resigned from Cuna shortly after leaving the Navy in January. He is now educational director of Central States Cooperative Wholesale, with headquarters in Chicago, Illinois.

In his new position he will spearhead an aggressive development of cooperatives in the area extending from Chicago to Detroit and including the two cities.

Before coming to Cuna Mr. Shipe was active in the credit union movement in Buffalo, New York. He was a leader of the Buffalo Insurance

Company Employees Federal Credit Union; of the Western New York (officers) Federal Credit Union; of the Buffalo Credit Union Chapter; and a director of the New York State Credit Union League.

He first served Cuna as a field secretary in Kansas City, Kansas, before coming to Madison as educational director. From 1940 to 1943 he also edited BRIDGE.

It was he who conceived the idea of providing excess bond coverage to credit unions affiliated with Cuna.

Credit Union Case

"THE CASE FOR CREDIT UNIONS" a brief presented to the Royal Commission on Co-operatives which sat in Vancouver, British Columbia, January 15, 16 and 17, 1945, has been reprinted in attractive pamphlet form by the British Columbia Credit Union League.

The brief was prepared by F. B. Dickinson and F. G. Lucas, treasurer and secretary respectively of the league and was presented before the commission by J. W. Burns, president of the league acting on instructions from the board of directors of the league.

The brief is divided into three sections: 1. General (the credit unions themselves), 2. The British Columbia Credit Union League, and 3. The British Columbia Central Credit Union.

The recommendations and conclusions of the first section are of interest to all credit unions.

To Sum Up

"To sum up, it might be said that credit unions are co-operative people's banks run on the same general principles as consumer co-operatives. Both consist of groups of persons banded together to do something which they cannot do as individuals. Their members believe that the taxation of thrift and savings would be a retrograde social step. As low income groups who are endeavoring through their own efforts to raise their standard of living, they feel that government effort should be directed to assist rather than to hamper them.

"As far as deduction of income tax at source on the nominal interest paid to saving members of credit unions is concerned, the amount of work involved would be completely unwarranted. In addition, since most of the members of credit unions belong to low income groups, and since many members are children and housewives with non-taxable income, the government would, we believe, be compelled to refund more tax money than they would actually retain.

"Credit Unions have, within a generation, become an integral and potent

force in the social and economic life of Canada. Their continuous growth and negligible losses have demonstrated a fact previously much doubted, namely, that the average man is honest if given a chance. They have filled a gap in the credit structure of our society and have demonstrated that a need existed for such a movement.

"In addition to meeting the immediate needs of their members, credit unions and co-operatives exercise a stabilizing influence upon the economy of a country. By extending purchasing power, they lessen the likelihood of accumulating surpluses of goods with the resulting reduction in employment. This fact has been demonstrated in the Scandinavian countries in pre-war times where co-operative enterprises were most highly developed. These countries experienced economic fluctuations, it is true, but the amplitude of the curve of boom and depression was slight. It would appear to be a wise course to foster the development of co-operatives and credit unions and not to hamper their growth and operation by any form of tax legislation."

Coming Events

March 16—Kansas Credit Union League meeting, Hotel Besse, Pittsburgh.

March 23—Connecticut Credit Union League meeting, Hotel Taft, New Haven.

March 23-24—California Credit Union League meeting, California Hotel, Fresno.

March 23-24—Oklahoma Credit Union League meeting, Tulsa.

March 23 or 30—South Carolina Credit Union League meeting, Columbia.

March 24—Arizona Credit Union League meeting, Adams Hotel, Phoenix.

March 29-30—Oregon Mutual Credit League, Portland.

March 30—Rhode Island State Credit Union League meeting, Narragansett Hotel, Providence.

April 6—Illinois League meeting, Sherman Hotel, Chicago.

April 6—Texas Credit Union League meeting, Gunter Hotel, San Antonio.

April 13—Kentucky Credit Union League meeting, Brown Hotel, Louisville.

April 14—North Carolina Credit Union League meeting, Hotel Charlotte, Charlotte.

April 26-27—Alberta Credit Union League meeting, MacDonald Hotel, Edmonton.

April 26-27—Ontario Credit Union League, General Brock Hotel, Niagara Falls, Ontario.

April 27—Pennsylvania Credit Union League meeting, Hotel Sterling, Wilkes-Barre.

April 27—Tennessee Credit Union League meeting, John Sevier Hotel, Johnson City.

April 27—Indiana Credit Union League meeting, Lincoln Hotel, Indianapolis.

April 27-28—Missouri Mutual Credit League meeting, St. Louis.

May 4—Iowa League meeting, Hotel Savery, Des Moines.

May 8—Executive committee meeting Credit Union National Association, Hotel Loraine, Madison.

May 9—Board of directors meeting Cuna Mutual Insurance Society, Hotel Loraine, Madison.

May 9—Board of directors meeting Cuna Supply Cooperative, Hotel Loraine, Madison.

May 10—Membership meeting Cuna Mutual Insurance Society, Hotel Loraine, Madison.

May 11-12—Board of directors meeting Credit Union National Association, Hotel Loraine, Madison.

May 11—Membership meeting Cuna Supply Cooperative, Hotel Loraine, Madison.

June 15-16 (tentative)—Florida League meeting, Miami.



Once Upon a Time

20 Years Ago In Bridge

¶ American Management Association devotes one of the conferences of its annual convention to discussion of credit unions.

¶ Detroit Postal Credit Union, Detroit, Michigan, organized.

¶ Indiana Credit Union League is undertaking an extensive circularization of industrial and other groups which might be interested in credit unions. George W. Rabinoff is chairman of committee.

10 Years Ago In Bridge

¶ Second annual meeting of Credit Union National Association held in Madison, in midst of blizzard and mountains of snow. Claude E. Clarke of Ohio elected president.

¶ There are more than 45 credit unions in Nova Scotia, with \$142,000 in assets.

¶ During February 140 credit unions were organized.

¶ Waukegan Co-op Credit Union, Waukegan, Illinois, is subject of featured story. It is five years old and has filled real need.

5 Years Ago In Bridge

¶ All reports indicate league annual meetings are bigger and better than ever.

¶ Marie Regina Howard elected president of Rhode Island Credit Union League. She is the first woman league president.

¶ Charlie Eikel tells New Orleans Chapter of National Office Managers Association about credit unions. He gets them interested, too.

¶ Founders Club gets 606th member.

¶ Utica, (N. Y.) Postal Credit Union wins cup for largest attendance at annual chapter meeting, and celebrates tenth anniversary.

Cover Picture

This month's cover picture shows Earl Lingar, president of the Tennessee Credit Union League, accepting 1946 league dues checks from Leonard Heitzman, president of the Memphis Chapter of Credit Unions. The presentation of these and other checks from Memphis credit unions happy to be able to pay their dues early in the year took place at a chapter dinner on January 19 in honor of the league executive committee, which was meeting in Memphis the following day.

C. F. Eikel, Jr., Cuna field secretary, who was the principal speaker at the dinner meeting, said, "This is one of the most gratifying examples of loyalty to, and support of, the credit union league, and of the Credit Union National Association, that has come to my attention."

Members of the Tennessee Credit Union League executive committee are:

Earl Lingar, president; from Mead Corporation Credit Union, Kingsport, Tennessee.

Charles W. Jones, vice president; from Old Hickory Credit Union, Old Hickory, Tennessee.

Frank May, secretary; from Bruce, Employees Federal Credit Union, Memphis.

C. W. Beckman, treasurer; from TWA Credit Union, Knoxville.

¶ The meeting at which the presentation took place is shown below.



Founders Club

New Members

SINCE OUR LAST REPORT the following members have been admitted to the Founders Club:

J. P. Manning, St. Martins Parish Credit Union, London, Ontario.

Earle Reed, Rochdale Credit Union, Woodstock, Ontario, York.

What and How

THE FOUNDERS CLUB is a Cuna honorary society of credit unionists who have organized credit unions other than their own.

To become a member under present rules one must:

1. Find a group that does not yet have a credit union.

2. Get it to organize a credit union. (Write to your league or to Cuna for instructions and helpful material.)

3. Apply to Cuna in writing for membership in Founders Club, giving your full name, the name of your credit union, and the name of the credit union you organized.

A special Volunteer Organizers Kit may be obtained free of charge by writing Credit Union National Association, Madison 1, Wisconsin.

(The above rules are being revised. If you have any suggestions for improvements please send them to Credit Union National Association, Madison 1, Wisconsin.)

IDEA



EXCHANGE

Here are some ideas credit unions have already used successfully plus some BRIDGE suggestions which you may want to try out as-is or adapted to meet your particular needs.

As a matter of fact, credit unions and credit union organizations affiliated with Cuna may lift any BRIDGE items freely for their publications and releases. All others should observe the copyright and obtain written permission from BRIDGE before reprinting material. Suitable credit should, of course, be given in the case of signed articles and illustrations. BRIDGE need not, however, be mentioned as the source of the material, although where it seems suitable to do so, this will be appreciated.

Suggestions for Use

We hope credit union officials will find these suggestions helpful in preparing informational materials about the services their credit union offers their members. These may be used—either without change or adapted to special uses—in payroll inserts, circulars, blotters, posters, bulletins, advertisements, company house organs, or other appropriate mediums at hand.

The illustrations may be traced on mimeograph stencils, reproduced directly by a photo-offset process, or made into linecuts for the standard letterpress printing.

Each release should, of course, also contain full directions as to when and where credit union service may be obtained. The name of the credit union, its location, its business hours, and any other helpful information should be given.

Please

BRIDGE would greatly appreciate receiving copies of any and all publications credit unions issue, so that it may know what credit union people are finding most effective, and so that it may pass on to others good new ideas developed.



¶ Your concern should not be whether God is on your side, but whether you are on God's.—Abraham Lincoln.



I would not be fair to myself if I did not take

CREDIT

for remembering that annual greetings are due and payable on December 25, 1945.

We have seen during the terrible conflict just concluded that in

UNION

there is strength.

Let us as good Americans remember that and forever pull together so that goodwill and happiness may be shared by all.

FOR

what we do to lighten the load for our fellowmen is what makes life worth the while. It should always be a privilege and pleasure to be of

SERVICE

and assistance to some one else.

My most sincere wishes for a Happy Holiday Season.—H. C. Cramer, president South Works Employees Credit Union, Chicago, Illinois (also president Southeast Cook County Credit Union Chapter and a director of Illinois Credit Union League.)

Sign Him Up!

The End

of our first fiscal year has come and we are proud of our accomplishment.

Are You?

Have you done everything you could to promote the spirit of Credit Unionism? To help the other fellow to help himself?

There is

still a chance to do your share in assisting your fellow-worker to social and economic betterment. Here's how: Talk to him and tell him what we offer! Tell him what he can get out of it! Explain to him how everyone gains by joining!

SIGN HIM UP!

—From bulletin issued by Postal Employees Toronto Credit Union, Toronto, Ontario.

Wise Men Say—

¶ A heavy purse makes a light heart.
—Irish Proverb.

¶ Experience keeps a dear school, but fools will learn of no other.—Benjamin Franklin.

¶ Help thy brother's boat across, and lo! thine own has reached the shore.—Old Hindu Proverb.

¶ Most of the shadows of this life are caused by standing in our own sunshine.—Ralph Waldo Emerson.



HE-
CAN AFFORD TO PAY
HIGH INTEREST RATES



WE-
BORROW FROM OUR
CREDIT UNION !

Mat Service

Last month we neglected to mention that mats of the boxed feature "Is your purse empty?" in our Idea Exchange Department, page 18, were available for 25 cents each. Mats of similar features in previous issues may be had for 20 cents each. Send orders to Editor, The Bridge, Madison 1, Wisconsin.

Mats of above feature may be had for 30 cents each.

¶ The greatest menace to freedom is an inert people.—*Justice Brandeis*.

¶ It is better to light a candle than to curse the darkness.—*Old Proverb*.

Income Tax Blanks

An Operating Tip

CREDIT UNIONS are becoming more and more service-minded. It is realized that the credit union that is service-conscious is on the way toward being a better credit union and one that will have an interested membership.

This year why not try securing a quantity of State and Federal income tax return forms and instructions. Place them in the credit union office, and then post a notice that these blanks are available at the credit union office at designated hours. The members and non-members will appreciate this service. Incidentally this is another way to secure more non-members to the credit union office and perhaps secure a new member, and even possibly make a loan for the payment of taxes.—WISCONSIN CREDIT UNION NEWS.

If There's Money

To Be Spent

by Gerald J. McLellan

If there's money to be spent
And you haven't got a cent,
And the rent collector's knocking at
your door;
'Twould be nice to get some credit,
'Twould be nice—indeed you've said
it,
For your rent it wouldn't haunt you
any more!

If your need for cash is pressing,
If your outlook is distressing
And you'd like to borrow quickly
what you need;
There's a way that's tried and tested—
It's a way that's most requested—
And the way of every wise man, yes
indeed!

You simply go and join up
The ever growing line-up
Of adherents to the Credit Union
creed;
You will learn to borrow money
In a manner that's a honey,
In a fashion any thrifty man would
heed!

Then you'll pay the rent that's due,
Your insurance money, too,
And such other household bills that
you may owe;
You'll become a thrifty saver
And a Credit Union raver,
With your money planted right where
it will grow!

Insurance Committee

Renders Valuable Service

ONE OF THE FIRST credit unions to set up an insurance information committee was the Hamilton Municipal Employees' Credit Union, Hamilton, Ontario. The members of its committee are William Muirhead, chairman; Frank Alden and Edwin Farr.

While the committee has limited its activities to advising members about their insurance problems and has made no effort to "high pressure" sales, it has sold policies amounting to \$98,508 since it started its work about two years ago.

In commenting upon the activity of the committee Gordon Smith, manager of the credit union, expressed

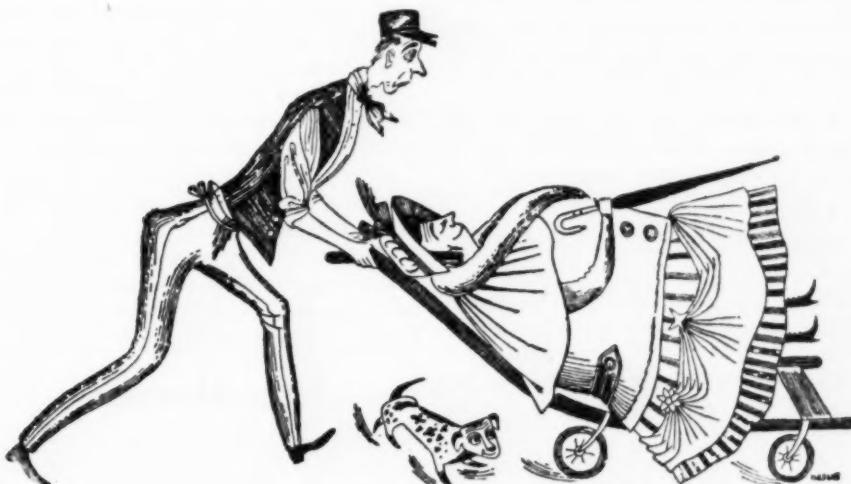
special satisfaction over the fact that many of the policies sold were in the field in which high cost weekly premium policies are usually sold.

A Neutralizing Balance

MONOPOLIES have destroyed the free enterprise they pretend to defend, and we are in danger of "an economic and social Pearl Harbor."

These assertions were made in an address at Loretto Heights College, Webster Groves, Missouri, by Mary G. Dooling, head of the department of Consumer Cooperatives and Credit Unions at The Queen's Work, St. Louis, Sodality central office of United States and Canada.

She suggested cooperatives as a neutralizing balance between monopoly and government control.



Now, Women Today

(with apologies to PUNCH)

OVER 60 years ago, one of PUNCH's contemporaries drew attention to the amount of clothing worn by a certain elderly lady who collapsed at the exit of a London Railway station. She was found to be wearing two chemises, two pairs of stockings, two pairs of flannel drawers, two flannel petticoats, a pair of flannel-lined stays, four thick petticoats, two skirts, four jackets, two cross-overs, a thick jacket trimmed with fur, a thick shawl, a fur boa, two capes, a bonnet and boots. Women have since cast some of their "clouts," but they have acquired other things, including a wide range of interests. They still buy clothes, of course; in fact, these days, they influence the purchase of practically everything under the sun. A point worth remembering about women is that they, no less than their husbands, are enthusiastic about the thrift and loan service offered by their

credit union

Christmas Club High

THE HIGHEST total in 12 years, \$550,000,000, was distributed by the Christmas Club to 7,600,000 members last December. The average distribution, \$72, was just \$2 more than last year, but the total amount was 10% greater, the number of participants having increased by 600,000. 27% of the checks are to be applied to Christmas gifts, 25% to permanent savings, 18% to Victory Bonds (2% less than in 1944), 11% to insurance premiums, 10% to debt retirement, 8% to taxes, and 1% to unclassified uses.

Director's Pledge

THE FOLLOWING PLEDGE is offered as a guide to help credit union directors serve their groups most soundly and effectively. It is adapted from a pledge prepared by W. H. Dankers, extension economist in marketing at the University Farm, St. Paul, Minnesota, for The Co-op Official, Marion, Indiana.

I pledge to do my best for the credit union that has elected me to serve in a position of honor and trust.

I will:

Above all things be honest and diligent.

Place the interests of the credit union above my own personal interests.

Give as careful attention to the affairs of the credit union as I give to my own business.

Give the necessary time to board meetings and other deliberations.

Study the business and problems of the credit union, and the broader considerations that affect its welfare.

Strive for continued and increased efficiency in the credit union.

Be prompt and attentive at all meetings of the directors so that there is no loss of valuable time.

Do independent and careful thinking, express my honest opinion, and not be a rubber stamp.

Be open-minded and a teamworker and realize that the individual views of board members cannot always prevail.

Remember that the majority rules and that the minority must fall in line.

Present the views of the board of directors to fellow members rather than my own, whenever I speak for the credit union.

Strive to keep this a members' credit union and not let it become a directors' or manager's credit union.

Represent the credit union in its entirety and not just the members from my community.

Do all in my power to have the

credit union controlled democratically, including the election of directors.

Welcome new ideas or "new blood" as a means of keeping life in the credit union and the service to the patrons at a high level.

Do everything possible to inform members and patrons of established policies and programs of the credit union.

Be a good listener to the reactions of the members and patrons as a means of better shaping the policies of the credit union.

Curb emotion and apply reason and common sense to all problems.

I will not:

Consider myself indispensable.

Expect any special privileges from the credit union because I am a director.

Become financially interested in any business or agency that has interests adverse to those of the credit union.

Interfere with the management, but will limit myself to the formulation of business and management policies.

Approve the employment of close relatives of directors and executives in the credit union.

Discuss the affairs of the credit union with employees, other than the management, unless delegated by the board of directors to do so.

Man Wanted

WANTED—A MAN for hard work and rapid promotion; a man who can find things to be done without the help of a manager and three assistants.

A man who gets to work on time in the morning and does not imperil the lives of others in an attempt to be first out of the office at night.

A man who is neat in appearance and does not sulk for an hour's overtime in emergencies.

A man who listens carefully when he is spoken to and asks only enough questions to insure the accurate carrying out of instructions.

A man who moves quickly and makes as little noise as possible about it.

A man who looks you straight in the eye and tells the truth every time.

A man who does not pity himself for having to work.

A man who is cheerful, courteous to everyone and determined to "make good."

This man is wanted everywhere. Age or lack of experience do not count. There isn't any limit, except his own ambition, to the number or size of the jobs he can get. He is wanted in every big business.—THE GILCRAFTER.

Charted Gulf Stream

NOT MANY KNOW that Benjamin Franklin ever had anything to do with the Gulf Stream. Yet he was the man who made a chart of it, based on information picked up from mariners.

He did this work because in 1789 the British postmaster asked Franklin to explain why ships from Philadelphia, New York or Boston required several days less than ships sailing to those ports from Falmouth, England.

Franklin didn't know the answer. An old Nantucket whaling captain gave him a hint. "Mebbe they get into the stream," he explained. All the whalers knew that whales kept out of what they called the stream because it was too warm for them. Mariners said this stream retarded westbound ships as much as 70 miles a day.

Naturally a problem like this tantalized Franklin until he found an answer. His chart was accepted by officials and the next British Postal Map showed what we all know now as the Gulf Stream. Westbound mail-carrying ships were ordered to keep out of it.—CURTIS COURIER.

Man In the Mirror

"When you get what you want
In your struggle for self
And the world makes you king for a
day,

Just go to the mirror
And look at yourself
And see what that man has to say.

"For it isn't your Father or Mother or
Wife
Who judgment upon you must pass,
The fellow whose verdict counts most
in the end
Is the one staring back from the glass.

"You may be like Jack Horner
And chisel a plum
And think you're a wonderful guy,
But the man in the glass
Knows you're only a bum
If you can't look him square in the
eye.

"He's the one to please
Never mind all the rest
For he's with you clear up to the end,
And you've passed your most dangerous,
difficult test
If the man in the glass is your friend.

"You may fool all the world down the
pathway of years
And get pats on the back as you pass,
But your final reward will be heart-
aches and tears
If you've cheated the man in the glass."
—Contributed by Eldon S. Dummit,
Kentucky attorney general.

Credit Committee

During the year of 1945 the Credit Committee approved 1582 loans for a total of \$269,111.41, to be added to any then outstanding balances. The security for this money was as follows:

Number	Security	Pct. of Total
731	Chattel Mortgages	43.2
308	Members' Signatures Only	18.2
474	Credit Union Stock	27.9
117	Co-signers and Members' Signatures	6.9
64	Stock in Other Companies	3.8
1694*		100%

*This figure will not coincide with total number of Approved Loans due to several types of Security used on single loans.

The following tabulation shows the classification on these loans:

PURPOSE	NUMBER	AMOUNT
 Medical Expenses	350	\$37,645.05 Doctor, Dentist, Sanitorium and Funeral.
 Automobiles	116	18,115.75 New, Used, and Repairs.
 Home Repairs	159	38,601.15 Plumbing, Furnaces, Etc.
 New Homes	33	35,758.59 Including Farms.

[12]

PURPOSE	NUMBER	AMOUNT
 Investments	128	\$36,154.82 War Bonds, Stocks, Etc.
 Refinance Other Loans	27	8,557.41
 Household Goods	92	14,225.38 Furnishings and Victory Models.
 Clothing	120	9,608.50
 Miscellaneous	27	3,645.00 Too Numerous for Specific Classification.
 Vacations	178	16,563.00 Fares and Hotels.
 Christmas Expenses	75	4,466.50 Small Items.
 Taxes	178	16,435.26 Income, Personal Property, and Real Estate.
 Current Obligations	343	29,534.90
		Total \$269,111.41

[13]

Credit Committee pages in attractive annual report of Cleveland Telephone Employees Credit Union, Cleveland, Ohio

Things To Do

To Preserve Peace at Home and Abroad

1. NAIL THE LIES. Refute the moth-eaten labels, libels and worn-out club-car jokes about members of minority groups. Generalizations about any racial or religious group are absurd. The Negro's achievements in the arts and science, in industry and on the fighting front, blast the myth that he 'can't do skilled work,' that he is a child with a child's emotional equipment and dependence.'

"If 'the Catholic Church is in politics' scares some people, you can point out that Catholics in America are of virtually every political persuasion.

"The Jews are neither a race nor a nation; they are so mixed that generalizing about them is impossible. There is a higher percentage of Jews in the armed services than in the general population. . . .

2. Support legislation, both local and national, outlawing the evils of intolerance. Legislative firmness not only can curb prejudices; it can help break down that prejudice by making people learn that the thing they have feared is no more than an inflated bogey. . . .

3. Help open up equal employment opportunity, in private industry and government. This can be a real contribution to economic security of minorities and to better harmony.

War and Peace

"During the war, our second-class citizens have demonstrated their ability to handle any and all jobs, skilled or unskilled, if they are given only the chance of training and experience. If you're an employer, give them the same kind of chance in peacetime, too.

4. Participate, wherever possible, in educational campaigns to combat prejudice. Through our schools and churches, young and old must be made to see prejudice not as white versus black, or Protestant versus Jew or Catholic, but as democracy versus fascism.

"Schools should become a social pilot plant for the understanding of races, cultures, heredity. In most young people, merely going to school together breaks down the worst prejudices, unless they are subjected outside to propaganda fomenting distrust, snobbery and hatred. . . .

5. Know your neighbor. Nobody knows so little about a minority group as the average American who has

lived near it for years. Since prejudice feeds on ignorance, any sort of contact, any breakdown of the segregation wall tends to weaken or destroy it. Take part in church, school and community-center get-togethers with people of varied cultural, racial and religious backgrounds.

6. Help marshal public opinion against intolerance. Get behind one of the many interfaith and interracial organizations, support your mayor's or governor's committee planning and promoting internal harmony."

Children Unafraid

"... and we ask Thy help and guidance that we may do our utmost to help make this a better world, a world in which children may grow up unafraid."—Social Science Institute.

Don't Blow It!

Oh workman or scholar
Hang on to your dollar
And do not spend it soon.
For every cent
Unwisely spent
Inflates the Price Balloon!

¶ People are lonely because they build walls instead of bridges.—Joseph Fort Newton.

Suggested Reading

Labor Department Report

ACTIVITIES OF CREDIT UNIONS IN 1944, Bulletin No. 850. Report of the Bureau of Labor Statistics, Department of Labor, prepared by Florence E. Parker with the assistance of Elizabeth L. Black. 16 pages. 5 cents. Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C.

This, the latest of a series of annual reports on United States credit unions prepared by Miss Parker, is richer in information than any of the previous ones. Instead of limiting itself to state by state reports for the two latest years, it also includes comparative figures for the years 1925, 1929, and every year following 1930 through 1944, covering number of credit unions chartered and active, number of members, amount of loans, and amount of total assets.

It also reviews studies made by the Federal Credit Union Section in regard to Negro Federal credit unions and Liquidated Federal credit unions. It discusses, too, the development of the Credit Union National Association.

Following is Miss Parker's summary:

"Reversing a trend that has been sharply downward since the beginning of the war, both the membership and business of credit unions showed an increase in 1944, although the number of associations was smaller than in 1943. At the end of 1944 the number of associations on the register totaled 9,099, as compared with 10,373 in 1943. The 8,702 associations active and reporting for 1944 had 3,027,694 members and made loans aggregating \$212,305,479. These represented increases, as compared with 1943, of 0.1 per cent in members and 1.7 per cent in loans. Total assets which have continued to increase all through the war years, even while number of associations, membership, and business were declining, mounted to \$397,929,814, or 12.0 percent above 1943.

"Net earnings on the year's business totaled \$5,716,736—a decrease of 14.0 per cent from 1943. Dividends paid on share capital, from these earnings, also declined by 3.9 per cent, to \$5,122,454.

"Reserves at the end of 1944 amounted to \$25,081,703, or 20.7 per cent of the \$121,005,395 outstanding in loans." (About 6.5 per cent of assets.)

This annual report renders an invaluable service to the movement.



Federal Section Report

1944 REPORT OF OPERATIONS; FEDERAL CREDIT UNIONS. Report of the Federal Deposit Insurance Corporation. 24 pages. 15 cents. Superintendent of Documents, U. S. Government Printing Office, Washington 25, D.C.

This is an unusually detailed analysis of Federal credit union operations and financial condition. The breakdown is by state, by type of sponsoring organization, and by size of assets; and it covers practically every account and item on the financial report. A wealth of statistical material.

The combined balance sheet of all Federal credit unions as of December 31, 1944, is:

ASSETS	
Loans to members.....	\$ 34,403,467
Cash	21,650,950
U.S. Government Obligations	67,849,864
Federal Savings and Loan shares	19,707,836
Loans to other credit unions	105,112
Other	548,927
Total	\$144,266,156

LIABILITIES	
Notes payable.....	\$ 942,180
Accounts payable and other Liabilities.....	1,679,515
Shares	133,586,147
Reserve for bad loans....	4,352,555
Special reserve for Delinquent Loans	171,274
Undivided profits	3,534,485
Total	\$144,266,156

Dividends were paid by 2,831 Federal credit union; they totalled \$1,753,-660.

During the year the number of members rose slightly, from 1,302,363 to 1,303,801. Share holdings increased from \$116,988,974 to \$133,586,147. The average number of members per credit union rose from 337 to 344; the average shareholding per member rose from \$90 to \$102.

Federal credit unions in their ten years of history have made 5,975,108 loans amounting to \$657,786,637. Of

these loans amounting to \$861,588, or 13/100 of one per cent, have been charged off.

The 1,621 Federal credit unions selling war bonds sold 3,915,903 war bonds with a purchase price of \$137,878,896.

Assets of 280 credit unions were liquidated during 1944; of these 233 paid 100 per cent on their \$878,000 in shares plus \$68,000 in dividends, while 47 with shares of \$53,000 were unable to repay their shareholders in full. However total losses of members in these credit unions amounted to only \$3,655, an average loss per member of \$1.13.

The 3,237 who lost money received slightly over 93 cents for every dollar in their share account at the time of liquidation. On the other hand the 21,202 who were members of solvent liquidating credit unions received almost \$1.08 for every share dollar. Averaging all the liquidations during 1944 about \$1.07 was paid on the dollar.

Tomorrows' Trade

TOMORROW'S TRADE, Problems of Our Foreign Commerce by Stuart Chase. 156 pages. \$1.00. The Twentieth Century Fund, New York, 1945.

This is the fifth in a series of six books Mr. Chase is preparing for the Twentieth Century Fund on postwar problems. It presents a lucid review of the effects gold, trade barriers, and past economies may have on world trade and prosperity in the future. Mr. Chase makes a good case for the thesis that maximum production with full employment in this country will do much to solve the problems of the world. His "Common Sense Formula" which he urges us to keep in mind when we clamor for a "Favorable Balance of Trade" is:

"The Stuff We Produce, As a Nation,
"Plus the Stuff We Import,
"Less the Stuff We Export,
"Is a Measure of Our Standard of Living."

Thanks!

IN THE SMOKEROOM of the big city hotel the Scot had been boring everyone with tales of the great deeds he had done.

"Well, now," said an Englishman at last, "suppose you tell us something you can't do, and by jove I'll undertake to do it myself."

"Thank ye," replied the Scot, "I canna pay mae bill here."

Credit Unions Sound

Canadian Report Stresses

AN INDICATION of the soundness of credit unions is given by a report published by THE MARITIME CO-OPERATOR in Nova Scotia. The report lists the average shareholdings per credit union

member for each Province, and compares these with the average amounts of assets the credit unions in each province have per member.

In every case there is a substantial margin of safety between the per capita share holdings and the per capita assets. In the case of the Caisse Populaires Desjardins in Quebec each dollar in average shareholdings is covered by \$18.50 in assets, a 1,850 per cent margin.

Here is the complete list:

	Average shares per member	Average assets per member
Prince Edward Island.	\$34	\$ 49
Nova Scotia.....	48	64
New Brunswick.....	58	63
Quebec		
Desjardins	14	259
Other	32	82
Ontario	46	111
Manitoba	24	62
Saskatchewan	62	116
Alberta	48	66
British Columbia.....	54	61

In the United States Federal credit unions have average shareholdings of \$102 per member; covered by almost \$111 in assets per member.

Benefit Plan

Adopted by Decatur Wabash

PERHAPS the first individual credit union to adopt an employee benefit plan (pension plan) is the Decatur Wabash Credit Union, Decatur, Ill.

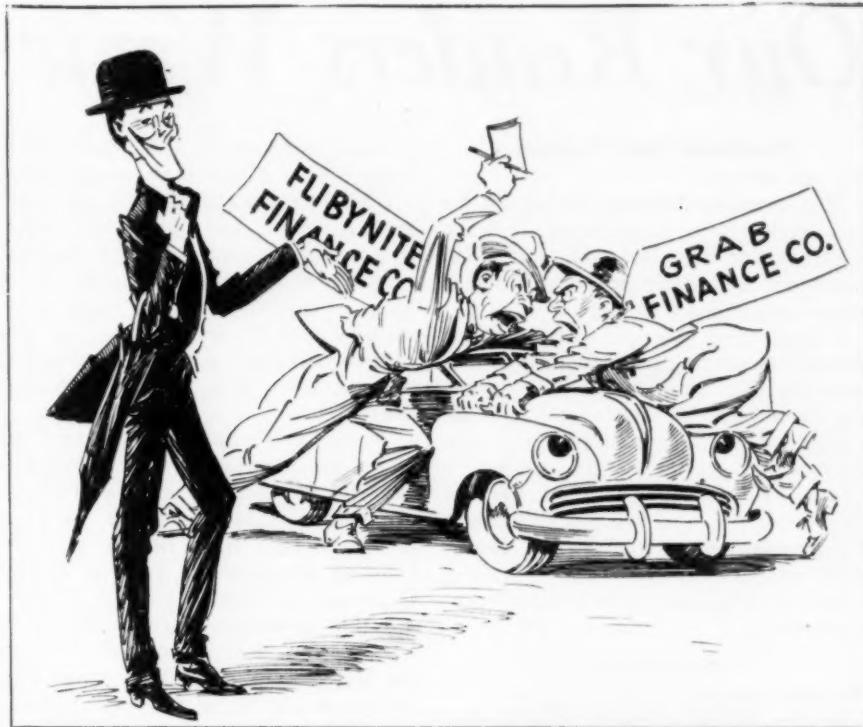
This plan follows very closely that adopted by the Illinois Credit Union League which BRIDGE reported in its October, 1945, issue. However, it is more generous than the league in that the employee receives the entire amount credited to his account, including that contributed by the employer, if he retires after five years of service. The league plan required ten years' service.

Under both plans the employer contributes five per cent of the employee's salary to the fund and the employee contributes five per cent of his salary. In both plans the employer guarantees that the fund will earn two per cent per year. Any amount the employer contributes and which employees relinquish the right to because they resigned before meeting the conditions of the plan shall be kept in the general fund as a reserve.

A VOLUME of Help

BOUND VOLUMES of the 1945 Bridge, complete with index, are now ready, at \$3 a copy. For ready reference to a year of informational and helpful credit union material order yours now.

The Bridge
Madison 1, Wisconsin



"EVERY MAN FOR HIMSELF"

---says Mr. Friendly

Speaking, of course, about the tremendous preparations that all types of finance organizations are making to grab their share of postwar automobile finance business . . . "But," Mr. Friendly says, "Credit Unions don't have to worry about where to get their share of this profitable loan business. They have a hand-picked list of prospects among their own membership."

* * *

Would you like complete information on financing automobiles? Simply clip the coupon below and send it to "Mr. Friendly" for a copy of American Mutual's new helping hand booklet, "TREMENDOUS TO-

MORROW . . . A Program to Help Your Credit Union Get Its Share of Automobile Financing". It's free, and it's packed with information on how Credit Unions can prosper and help their members through sound, progressive automobile financing.

Note: Insurance costs are an important factor in Credit Union automobile financing. Get the facts about Allied American Mutual's low-cost fully protective Fire, Theft, and Collision Insurance. Other coverages, other savings opportunities through companion company, American Mutual Liability Insurance Company—both are "Mr. Friendly" Companies.

Pioneers In Lending "A Helping Hand" to Credit Unions



ALLIED AMERICAN MUTUAL FIRE INSURANCE COMPANY

HOME OFFICES: 142 BERKELEY STREET, BOSTON 16, MASS.

Mr. T. Friendly
142 Berkeley Street
Boston 16, Mass.

Please send me your free Allied American Mutual Automobile Financing Guide; also full details on Allied American Mutual's Fire, Theft, and Collision Insurance Program for Credit Unions.

Name of Credit Union.....

Name of Individual.....

Address

City

Zone.....State.....

Our Readers Write



Continue This Feature

TO THE EDITOR:

The coupon, showing the rating for our credit union, is enclosed. It is not much better than last year, but I feel confident that next year will show a much better score for us....

I hope that you will continue this feature of credit union ratings, as it is good for the officers to go over such a list each year. It shows up our weak points, some of which we may not realize before checking the list.

With sincere appreciation for the fine work you are doing with BRIDGE, I remain.—Wayne S. Steward, chairman educational committee Portland Postal Employees Credit Union, Portland, Oregon.

Correction

TO THE EDITOR:

In the January BRIDGE you had a very nice write-up about our joint chapter meeting which was held in Windsor.

There was a mistake in this article, though . . . I am president of the Detroit chapter and not of the Windsor chapter.—David Arsenault, treasurer Wyandotte Chemicals Employees' Credit Union, Wyandotte, Michigan.

Likes Idea Exchange

TO THE EDITOR:

In the December 1945 issue of THE BRIDGE in your Idea Exchange you printed a copy of a three-column credit union advertisement run in the Sterling, Colorado, Advocate by the Sterling Cooperative Federal Credit Union. This ad called attention to a

growth of assets in the credit union from \$90 to \$100,000 in seven years.

I am enclosing a copy of our tenth annual report, and if you will notice that we have carried out the idea expressed in this advertisement. It so happens that this was our tenth anniversary and in searching for a new idea for the back cover we ran across the exchange idea in the December BRIDGE.

We think the exchange of ideas between credit unions is a most valuable experience that the officers of credit unions can have. Therefore, we want to thank both THE BRIDGE and the Sterling Cooperative Federal Credit Union for getting together and making this particular idea available to us. We feel that there is no limit to the amount of good that your idea exchange can bring to credit unions. We hope you continue to develop it.—Walter J. Jones, treasurer Alliance C.B.&Q. Employees Federal Credit Union, Alliance, Nebraska.

Good Luck

TO THE EDITOR:

May I add my good wishes for continued success to THE BRIDGE. I have read it with pleasure and will continue to read it with interest as it carries on the good work of advancing the credit union movement. Good Luck and Success in 1946.—W. McEwan, secretary-treasurer Commercial Telegraphers Credit Union, St. James, Manitoba.

Where Is the Quorum?

TO THE EDITOR:

I just came from our annual meeting

and it was the same old story: Where is the quorum . . . where is the membership? It just about amounted to another board of directors meeting.

I get sick of seeing the same faces show up year after year at the annual meetings (understand me, Mr. Editor, I am not sick of the faithful members of the board of directors, bless their hearts).

The membership knows the credit union is supervised, and policed by government inspection; treasurer bonded, loans insured, etc., so they say: "Oh, it's going okay . . . the board of directors will attend to the business of the annual meeting . . . they don't need me."

So this year I proposed an amendment to the By-laws that we do away with annual meetings, provided, any member can call a membership meeting over signatures of ten members. That, Mr. Editor, would save the "work-horses" the worry of reaching a quorum to transact a business meeting.

We discussed throwing a feed and see if that would bring 'em out. Well, we have tried that as our personal funds would permit, but it doesn't work. It will take a good part of the dividends to pay for the eats and entertainment good enough to entice the membership to turn around and come down town for the annual meeting.

Yes, we who do the work get pretty discouraged at annual meeting time, and, Mr. Editor, I reiterate: Let's do away with the annual meeting until

For credit union members only

Only credit union members can buy Cuna Mutual individual life insurance. Minimum overhead expenses; no agents' fees; low premium rates. Policies especially designed for, and limited to, credit union members include: broad coverage Ordinary Life, economical Renewable Term, and carefully Planned Home Protection.

For full information write to

Cuna Mutual Insurance Society

Madison 1, Wisconsin

Hamilton, Ontario

the membership shows interest.—C. W. Boardman, Portland, Oregon.

The editor is not in favor of doing away with annual meetings, but he sympathizes with Mr. Boardman. What is the answer to the problem?

Let us have your comments.

Good Neighbors

And a Good Policy

DURING JANUARY when officials of the Credit Union National Association were paying a visit to Kentucky, the Kentucky Credit Union League took advantage of this opportunity to arrange for a group of officials of the Kentucky Credit Union League and the National representatives to visit in Frankfort at the office of the Attorney General and of the Banking Division.

The only purpose of this visit was to advance the already friendly relations existing between officials of the State of Kentucky and the organized credit union movement.

Eldon S. Dummitt, attorney general, and Dudley Caudill, deputy director of the Division of Banking, were more than kind in their reception of the visiting credit unionists, who were impressed with and grateful for their sympathetic and friendly attitude.

The following credit union officials gathered from all parts of Kentucky to participate in this conference:

Thos. L. Cecil, president Kentucky Credit Union League, Stansano Credit Union, Louisville.

C. Matt Schaefer, first vice president Kentucky Credit Union League, Covington C & O Railway Employees Credit Union, Fort Thomas.

John L. Welch, Armco Ashland Employees Credit Union, Ashland.

Wm. G. Hand, Jr., Ashland Oil Employees Credit Union, Ashland.

E. D. Sturgill, Benham Credit Union, Benham.

W. R. Hays, Courier Journal Louisville Times Credit Union, Louisville.

W. L. Vandenburg, managing director Kentucky Credit Union League, Louisville.

Thomas W. Doig, managing director Credit Union National Association, Madison, Wisconsin.

Charles F. Eikel, Jr., field secretary Credit Union National Association, New Orleans, Louisiana.

Towering Rates

WE RECENTLY received in the mail an advertisement for a correspondence course in writing. The course costs \$9.50 if cash were paid, but it could be paid for on the installment plan by paying \$2 down and \$2.95 a month for

three months, or a total of \$10.85.

If cash was paid the entire course was delivered at once, but if payments were by installment only the first three lessons would be immediately available and the remaining would be delivered two lessons a month for three months.

Even if the entire course were delivered at once the effective interest rates charged for the privilege of paying in installments amounted to approximately 118 percent per year. Since, however, the lessons were only delivered as they were paid for, approximately, the effective interest rate reaches towering proportions.

We must not be too critical of the company, because it does incur substantial expenses in handling the installment accounts. But we are impressed by the fact that the purchaser who does not have \$9.50 in cash to pay for the lessons in full, would save all but 16 cents of the extra \$1.15 carrying charge if in order to pay cash he borrowed from his credit union the \$7.50 he would need to add to the \$2.00 down-payment required for installment payments.

Biased

"Why don't you like girls?"

"They're too biased."

"Biased?"

"Yes, bias this, and bias that, until I'm broke."—THE BROADCASTER, published by Wecony Federal Credit Union, New York, New York.

Best Investment Plan

by Joseph S. De Ramus

The service we render our fellowman Is truly the best investment plan.

The kind words spoken and deeds we do

Come back to us in friends who are true;

For the thing that really makes life dear

Is filling other hearts with cheer.

There wouldn't be so much to living But for the joy of helpful giving;

And it isn't so much the cost of a thing, It's the message of love we strive to bring,

For neither wealth, nor fame, nor power

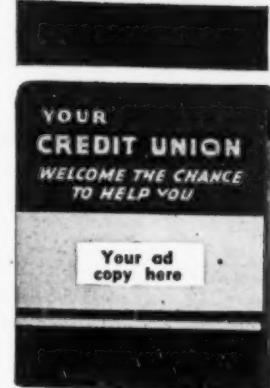
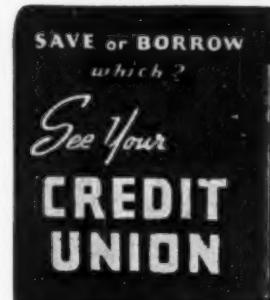
Can soothe a heart in its darkened hour.

A pleasant word and a kindly deed Are things of life that people need. And though we serve for love or gold The good we do comes back tenfold, And the service we render our fellowman

Is truly the best investment plan.

Why don't you let
bookmatches
tell your story?

2,500,000 books have al-
ready told the story for
other credit unions
50,000,000 times



Each book tells your story twenty times. For distribution through plant cafeteria, canteen, vending machines, neighboring stores, etc. Imprinted with the name and address of your credit union.

Prices: (Minimum order 2500 books)

2,500\$3.90 per thousand
5,000 3.60 per thousand
7,500 3.40 per thousand
10,000 3.40 per thousand
25,000 3.15 per thousand
50,000 2.90 per thousand
100,000 2.75 per thousand

Plus state sales tax, if any. Add 40 cents per thousand for Federal excise tax. Shipped freight prepaid.

CUNA SUPPLY COOPERATIVE

Madison 1, Wisconsin

There is more than one way to



save money!

Here are an even dozen:

1. **Keep any extra cash in the credit union.** *A pocketful of money is a great temptation to loose spending.*
2. **Pay cash.** *Avoid the open or hidden costs of "buying on time."*
3. **Take advantage of bargains.** *You can do that best by keeping a good share account in the credit union.*
4. **When you borrow be sure the terms are reasonable.** *In other words, borrow from the credit union.*
5. **Keep healthy.** *Sickness is one of the greatest drains on savings. The credit union is constantly financing medical service to members.*
6. **Keep household appliances, car, etc., in good repair.** *Save on gas, oil, electricity. The credit union makes loans for needed repairs.*
7. **Pay insurance premiums annually.** *When you buy additional policies have due date fall on different months. If you need extra money to get on annual basis, a credit union loan will help you.*
8. **Buy Cuna Mutual life insurance.** *Its rates are particularly low.*
9. **Keep your home in good repair.** *A timely credit union loan for a repair job now may save you many dollars you would have to spend later if you let the job go.*
10. **Have extra supply of clothes.** *Wool and leather that is allowed to rest regularly wears longer and looks better. Here again a credit union loan may be a real money saver.*
11. **Pay your share account a regular salary.** *We are all creatures of habit. Decide what minimum amount you should save each pay day, and put that amount in your credit union account first thing.*
12. **"Sleep on it" before you sign the dotted line.** *Take a copy of the document home and read it carefully, away from salesman's charm and persuasiveness. Would it really be a good buy?*

Your **CREDIT UNION** is here to serve you.